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RESTAURANTS USA

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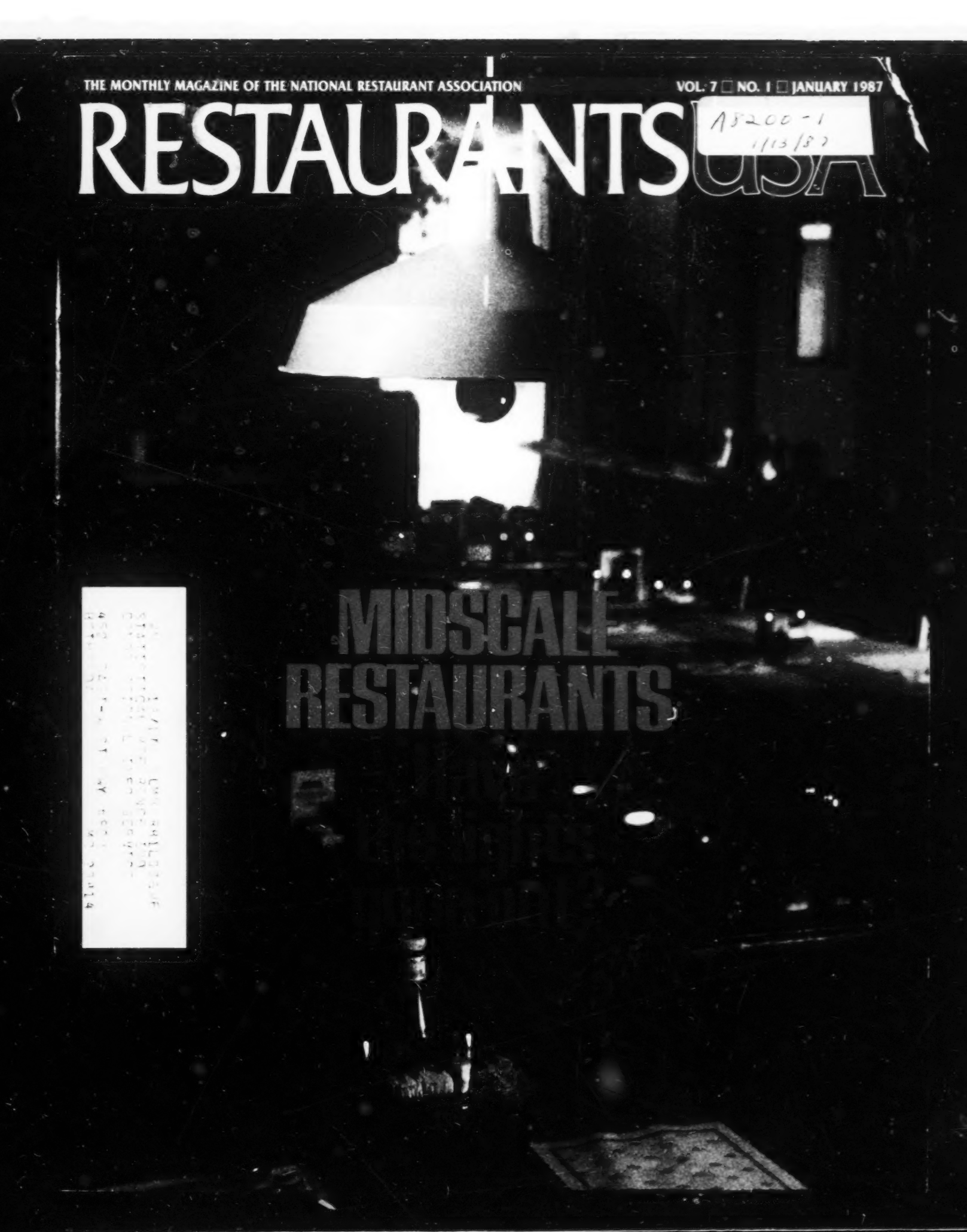

MIDSCALE RESTAURANTS

ASSOCIATIONMEETINGS

SEMINARS

Basic Foodservice Courses

Dining Room Management
1/20 Pawtucket, RI
2/3 New Orleans, LA
2/18 Rosemont, IL
2/19 Minneapolis, MN
3/19 Boston, MA

Increasing Sales: Effective Front-of-the-House Management*
2/2 Winnipeg, Manitoba, Canada
3/31 Portsmouth, NH
**Formerly Dining Room Management: Sales and Service*

Kitchen Management
1/22 Schaumburg, IL
1/26 Baltimore, MD
3/2 Oak Brook, IL
3/9 Shreveport, LA

People-Power and Profits
1/29 Cincinnati, OH
3/10 Tucson, AZ

Tools for Training
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3/19 Los Angeles, CA
3/20 Burlingame, CA

Food Production Courses

Perfecting Your Culinary Skills
1/27 Atlanta, GA
2/5 Dallas, TX
3/24 St. Paul, MN

Simplified Baking Workshop
2/10 Ventura, CA
2/12 Sacramento, CA
3/24 Atlantic City, NJ

Soups and Sauces
1/22 San Diego, CA
2/16 Denver, CO
3/1 Washington, DC
3/3 Rochester, NY

Foodservice Management Courses

Banquet Management
1/26 Vancouver, B.C., Canada
1/28 Montreal, Quebec, Canada
2/23 Newark, NJ

Beverage Management
2/3–4 St. Louis, MO
3/30–31 King of Prussia, PA

Employee Motivation
2/9 Charlotte, NC
2/11 Vienna, VA
3/9 Portland, OR

Food Cost Management
1/20 Orlando, FL
2/18 Nashville, TN
3/24 Pittsburgh, PA

Foodservice Operators' Legal Workshop
1/27 Birmingham, AL
2/23 Concord, NH
2/25 Cincinnati, OH
3/4 Seattle, WA
4/1 Newport, RI

Menus That Sell!
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3/24 Calgary, Alberta, Canada
3/25 Edmonton, Alberta, Canada

Negotiating for, and Financing, Foodservice Facilities
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3/19–20 Springfield, VA

Off-Premises Catering
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2/9–10 Madison, WI
3/2–3 Indianapolis, IN
3/19–20 Denver, CO

Operational Analysis
1/28–29 Jacksonville, FL

Planning and Implementing Restaurant Marketing Strategy
3/4–5 Reno, NV
3/24–25 Kansas City, MO

Planning Successful Buffets
2/17 Lexington, KY
3/2 Colorado Springs, CO
3/23 Tampa, FL

Profitability
1/28 Atlanta, GA
3/24 Madison, WI

Real Estate and Restaurant Site Selection
2/17–18 Scottsdale, AZ

Restaurant Design and Facilities Planning
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2/23–24 Las Vegas, NV
3/25–26 Chicago, IL

S.A.F.E.
1/20 Arlington, VA
3/11 Cleveland, OH

Stress and Foodservice
3/25 San Antonio, TX
3/26 Dallas, TX

Wine and the Bottom Line
1/27 Toronto, Ontario, Canada
2/25 Stamford, CT

NATIONAL CONFERENCES

Independent Foodservice Operators' National Conference
1/18–21 San Francisco, CA

National Conference on Computers in Foodservice
3/8–11 Dallas, TX

Conference on Planning and Financing Restaurant Growth
4/5–8 Los Angeles, CA

If your company is interested in In-house Programs, call or write to the attention of Ed O'Hare at the above address.

For more information, contact National Restaurant Association Education Programs 311 First St., N.W. Washington, DC 20001 (800) 424-5156 or (202) 638-6100

STUDY GROUP MEETINGS

Labor Relations
1/29–30 Washington, DC

Financial Officers
4/1–3 San Diego, CA

Tax Executives
4/1–3 San Diego, CA

MIS (formerly EDP)
4/7–12 Orlando, FL

Internal Audit
4/21–24 Orlando, FL

Quality Assurance
4/22–24 Denver, CO

MAECO
5/13–15 Chicago, IL

Marketing Executives
5/13–16 Chicago, IL

Foodservice Purchasing Managers
5/14–15 Chicago, IL

For more information on specific study groups, contact Philip Kralovec, (312) 853-2525

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PRESIDENT'S REPORT

G. "Jim" Hasslocher, President
Frontier Enterprises, San Antonio, TX

What's to come in 1987

Welcome to 1987. This year should prove to be both exciting and challenging for the foodservice industry. On the one hand, foodservice sales are expected to reach $197.5 billion—a 6.4-percent increase over 1986; on the other hand, new and proposed legislation from Capitol Hill could have far-reaching effects on the industry.

The new tax "simplification" law, for instance, threatens our sales and growth potential. The reduction of the business meal deduction to 80 percent is only one small section of the tax bill, yet it alone could cost the industry up to $8.9 billion on lost sales for 1987.

Program aimed at maintaining business meal

To combat the potential effects of the business meal tax reduction, the National Restaurant Association is preparing a marketing program to promote the business meal in restaurants across the nation. The association will need your assistance in reminding Americans about the effectiveness of doing business over a good meal in a restaurant. A special issue of the association newsletter *PRO-Motion* will be sent to all members. *PRO-Motion* dispels the notion that business meals are the exclusive domain of upscale, high-ticket restaurants. You'll find dozens of marketing techniques for promoting business meals targeted to your type of operation. Look for *PRO-Motion* in the mail at the end of January.

Tip allocation procedures amended

Employers should also note that the new tax law changes tip allocation procedures. Operators with 25 or more full-time employees may no longer use the IRS hours-worked formula for allocating tips. Alternatives are outlined in "Washington Report" in this issue.

Employers must check work status

"Washington Report" also discusses the 1986 Immigration Bill which went into effect last December. It requires employers to check employee documentation for authorized work status in the United States. Although there is a six-month "education" period, employers are currently expected to comply with immigration agency procedures. As of June 1, 1987, non-compliance could lead to fines as well as possible criminal procedures.

Hourly wage rate survey available

On other employee matters, the National Restaurant Association has just completed its survey of employee hourly wages. The survey breaks down current wage rates for foodservice employees on a state-by-state basis. Results of the survey will be available to association members by the end of this month. If you are interested in finding out what the average wage rates are for hourly foodservice employees in your state, contact the National Restaurant Association's Information Service and Library in Washington, DC.

Operations survey response requested

Key members of the association will be receiving their copy of the *1987 Restaurant Industry Operations Survey* questionnaire in mid-January. Please complete the survey and return it as soon as possible. Responses to the survey will be compiled into the *1987 Restaurant Industry Operations Report*. All members who complete and return the survey will receive a free copy of the report when it becomes available. Please return your survey as soon as possible.

Look for 1987 Great Menu Contest entry form

Look for the 24th Great Menu Contest entry form in the mail this month. Be sure to enter your menu by the deadline, Feb. 28, 1987. Winning menus become models for the entire foodservice industry. They will be displayed at the National Restaurant Association Restaurant Hotel-Motel Show in Chicago in May.

Winners of last year's Great Menu Contest are included in the full-color, hardcover book *Menu Design 2*, published by PBC International in collaboration with the National Restaurant Association. For more information about the publication, see "Short Orders" in this issue.

Wine festival offers educational programs

If you offer wine in your establishment, you should have already registered for the association-sponsored 1987 Monterey Wine Festival, scheduled for March 8–11 in Monterey, CA. More than 170 wineries are participating in the festival programs. For more information about the conference, which includes workshop and seminar sessions, see "Short Orders," the registration form included in this issue and the back cover.

Restaurant growth conference scheduled for April

The National Restaurant Association and Laventhol & Horwath are co-sponsoring the Conference on Planning and Financing Restaurant Growth. It will be held April 5–7, 1987, in Los Angeles, CA. This conference marks the first time leading industry representatives and financial experts will come together specifically to address the benefits and pitfalls inherent in restaurant growth.

Conference topics will include trends ripe for expansion, leverage buy-outs, mergers and acquisitions, franchising, planning a budget, franchising, financing, going public, investment portfolios and selling the business. Look for information on the conference in the mail.

Association computer conference focuses on software

Don't forget to register for the association's National Conference on Computers in Foodservice, to be held March 8–11, 1987, in Dallas, TX. In addition to vendor demonstrations, this year's program will focus on computer software. Register today.

During December, 140 foodservice operators and allied suppliers joined us as members of the National Restaurant Association. Welcome. Your participation in the association will make your business grow and will make the association more effective in its endeavors on your behalf.

G. "Jim" Hasslocher
President and Chairman of the Board

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Cover photograph by Gary Landsman

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SHORTORDERS

Monterey Wine Festival update

If you are interested in increasing your wine sales, expanding your wine list or just learning more about wine, the National Restaurant Association–produced Monterey Wine Festival is one conference you won't want to miss. With 174 wineries already scheduled to participate (see list on back of registration form between pages 46 and 47), the March 8–11 festival is shaping up to be one of the most informative wine events of the year.

Besides an impressive array of exhibitors, the festival will offer a host of seminars, tastings and other special events. Educational programs will cover a broad range of topics, including a discussion of current food and wine trends by Julia Child and several top California chefs, wine training techniques for staff, an overview of some of the most successful restaurant wine programs and technical discussions of current legislative and research trends.

For more detailed information about the conference, contact the National Restaurant Association, 150 N. Michigan Ave., Chicago, IL, 60601; (312) 853-2525 or (800) 247-4448. A registration form is included in this issue for your convenience between pages 46 and 47. Simply pull it out and mail it.

1986 Great Menu Contest winners showcased in new book

Some of the most exciting menus of the last few years are showcased in *Menu Design 2*. This handsome, hardcover coffee table book, published by PBC International in coordination with the National Restaurant Association, includes more than 200 full-color menus, many of which were award winners in the association's 1986 Great Menu Contest.

In addition to demonstrating trendsetting graphics, author Judi Radice explains menu design techniques through interviews with recognized design and restaurant professionals. The volume is an invaluable reference for anyone involved in menu planning and production.

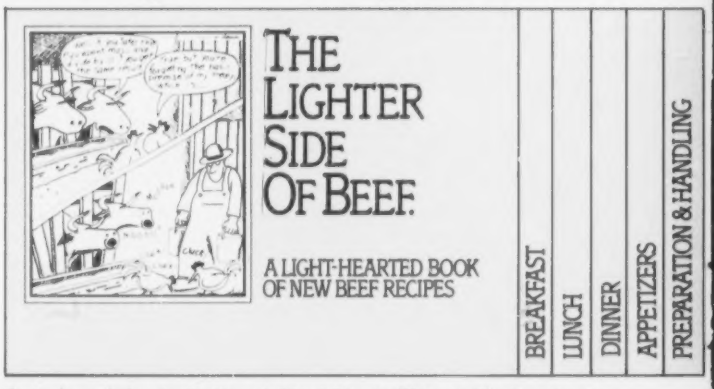
Menu Design 2 is available to association members for $44.95, which reflects a 10 percent discount off the list price. To order, send $48.45 (which includes $3.50 for shipping and handling) to PBC International, Inc., One School St., Glen Cove, NY 11542. Be sure to identify yourself as an association member.

In addition, be on the lookout for your entry form to the 1987 Great Menu Contest. The entry deadline is February 27, 1987.

New ventures in good eating

How do restaurateurs cater to thousands of registered dietitians? By tempting them with innovative, healthful meals. Last October, chefs at 13 Las Vegas, NV, restaurants featured dishes low in salt, fat, sugar and cholesterol in honor of the 7,000 registered dietitians who attended the annual meeting of the American Dietetic Association (ADA). The program, "New Ventures In Good Eating," was coordinated by the Dietetic Association and Carolyn Leontos, a Dietetic Association member and Las Vegas resident. "All the featured recipes met the U.S. dietary guidelines. We were attempting to show consumers that healthful dining out can be satisfying to their palates," Leontos explained. According to the ADA, a similar program is planned for next year's meeting in Atlanta.

A new light on serving beef



To help celebrate National Meat Week (Feb. 1–7), the Beef Industry Council has developed "The Lighter Side of Beef," a light-hearted collection of light beef recipes, complete with cow caricatures from cartoonist Gary Larson's "The Far Side." The booklet does have a serious side, however, with information regarding lean cuts for light cooking, low-calorie cooking tips and calorie counts for each recipe. Booklets are available at no charge from the Beef Industry Council, 444 N. Michigan Ave., Chicago, IL, (312) 467-5520.

Diner trend captures national press

As the cover story in the November 1986 issue of **Restaurants USA** points out, diners are one of the hottest trends in the restaurant industry. But we weren't the only ones who noticed. Recently, magazines such as *Smithsonian, Newsweek, Interior Design* and *Entrepreneur* have joined *Restaurants USA* in celebrating the revival of the diner.

Entrepreneur, which is geared toward people interested in starting their own businesses, singled out the 1980s version of the 1950s diner as one of the 10 hottest business opportunities for 1987 (and beyond) in its December 1986 issue.

Besides making the top-10 list, the diner was also highlighted as the "opportunity of the month." A feature article looked at restaurateurs who have developed "new" diners and included statistics on start-up costs and average profits.

Recognizing the growing interest in diners, *Entrepreneur* has even added a manual on developing a diner to its step-by-step, start-up series.

Immigration reform law brings new recordkeeping, penalties

Sweeping immigration reforms were signed into law by President Reagan on Nov. 6, marking the first time in 30 years major changes have been made to U.S. immigration policy.

As reported previously, the new law contains penalties against employers who knowingly hire illegal aliens and requires employers to examine and verify employee identification cards as part of their hiring procedures.

Although many parts of the new law were effective the day the President signed the bill, the employer provisions do not start in earnest until June 1, 1987. A six-month "education" period began on Dec. 1, 1986, during which no penalties will be assessed against employers. During the following 12-month period beginning on June 1, warning citations will be issued for first offenders. Following the receipt of a citation, an employer is subject to civil penalties, even if the 12-month "citation" period has not expired.

Employer penalties

Under the new law, an employer convicted of knowingly hiring or referring for hire an illegal alien will face a fine of $250 to $2,000 per illegal alien for the first offense, $2,000 to $5,000 for the second offense and $3,000 to $10,000 for the third offense. Persons convicted of "pattern or practice" violations will face a $3,000 fine and/or six months in prison for each illegal alien.

Employers will be required to verify that new hires are not unauthorized aliens by examining one of the following documents: U.S. passport, certificate of U.S. citizenship, certificate of naturalization, unexpired foreign passport or resident alien (green) card.

David Nachtsheim of the U.S. Immigration and Naturalization Service, center, discusses the new immigration law and its effect on foodservice operators with Washington representatives from several major foodservice chains during the National Restaurant Association's recent Action Task Force meeting. Shown here (l–r) are: Pfil Hunt of Morrison, Inc.; Cliff Raber of McDonald's Corp.; Jim Rogers, director of the association's government affairs department; and Bruce Cotton of Jerrico, Inc.

If a prospective employee does not have one of the above, he may present a combination of ID cards showing authority to work and identity, such as a birth certificate or a Social Security card and a driver's license or a state-issued identification card. Note: No documents have to be checked until a final decision to hire has been made by the employer, and the law gives employees 24 hours after they are hired to produce the necessary documentation.

Verification forms

Employers must attest that they have examined an employee's identification card and that the document "reasonably appears on its face to be genuine." The Immigration & Naturalization Service (INS) will provide verification forms for this purpose. Employers will check off which documents they have examined and then will sign the form, attesting under penalty of perjury, that they have complied with the document verification requirement. Prospective employees are also required to attest in writing that they are authorized to work in the United States.

The verification forms must be kept on file and made available to INS or Labor Department agents, if requested. The forms must be kept for three years, starting the date an employee is hired, or for one year after an employee is terminated, whichever is later. Employers who fail to keep proper records face a fine of $100 to $1,000 per employee.

It is important to realize that the new recordkeeping requirements and employer sanctions apply only to employees hired after the enactment date. Also, employers will be relieved from verifying a worker's credentials when a state employment agency has done so, and the worker has retained a certification of such verification.

The bill also establishes a Justice Department Office of Special Counsel to investigate and prosecute any charges of discrimination stemming from unlawful immigration-related employment practices. Remember, it is illegal to discriminate against legal residents. However, the law does allow an employer to hire an American citizen over an immigrant when both are equally qualified.

The government will be required to notify alleged violators of discrimination infractions and, upon request, grant a hearing within 30 days before imposing any penalty. The penalty may be challenged in federal appeals court.

Changes in tip allocation now in effect

The National Restaurant Association will work for restoration of the "hours-worked" method of tip allocation when the 100th Congress convenes later this month. In the meantime, the association is recommending that operators who wish to continue using the hours-worked method make it part of a "good faith" allocation agreement.

Existing law requires operators to allocate tip income to servers whenever total tips reported amount to less than eight percent of gross sales. According to Internal Revenue Service (IRS) regulations, allocations should be made on the basis

of a "good faith" agreement between the employer and his employees. If there is no agreement, then the regulations provide for two alternative methods: the *hours-worked* method and a *gross-receipts* method. (See related story on tip reporting in this issue's "The Law" on page 10.)

Under the hours-worked formula, the employer allocates tips based on the number of hours each waiter or waitress has worked. The gross-receipts method requires the employer to allocate tips based on the amount of sales attributed to each server.

The Tax Reform Act of 1986 contains a provision disallowing the use of IRS's hours-worked allocation formula for restaurants with the equivalent of 25 or more employees. The change in the law went into effect Jan. 1.

The change could force many restaurateurs to resort to the gross-receipts method of allocation, which the National Restaurant Association believes will be especially burdensome to operators who do not have computerized cash registers capable of breaking out sales for individual servers.

The association believes that affected operators could continue allocating on the basis of hours if their employees agree to such an allocation formula as part of a good-faith agreement. Under such an agreement, the employer is free to use an allocation method of his choosing, provided at least two-thirds of the employees agree to it and it reflects a "good-faith approximation of the actual distribution of tip income among such tipped employees."

The association has discussed this approach informally with IRS, and IRS has raised no objections.

The Job Training Partnership Act can help meet industry employment needs

The Job Training Partnership Act (JTPA), the cornerstone of the Reagan administration's job-training agenda, was passed by Congress in 1982, and it took effect Oct. 1, 1983. Now, three years later, many businesspeople—foodservice operators included—are just beginning to learn how this federal program can answer some of their employment needs.

Goodwill Industries—a recipient of JTPA funds—trained Ricky Smith for his job at a Saga (Marriott Corporation) cafeteria in Chicago, IL.

Public/private partnership

JTPA changed the nature of government efforts to bring disadvantaged Americans into the economic mainstream through job training and employment assistance. JTPA funds are used to train individuals with low incomes, the unemployed, those with physical and/or mental handicaps, ex-convicts and displaced homemakers, among others, for private sector work.

JTPA is based on the assumption that local businesspeople know better than anyone else where the job openings are and how workers should be trained to fill the open spots. The act, therefore, established local private industry councils (PICs) to work with local governments in disbursing federal job-training dollars.

Approximately 600 PICs operate around the country. By law, more than half of the PICs' members must come from the business community. Business representatives are nominated by their companies and appointed by local elected officials. Other PIC members may include educators, labor leaders and representatives of public employment services and community groups.

PICs evaluate local job-training needs, choose the local training organizations that will run the actual training programs and then monitor the success of the training programs.

The Washington, DC, PIC, for example, held an "industry forum" to determine how the District of Columbia foodservice industry could use JTPA funds. Acting on the advice of local chefs, the PIC then contracted with a local trainer to run a training program for cooks. Now in its fourth year, the program is overseen by the PIC and an industry advisory committee that offers continuing curriculum suggestions.

Training programs accommodate needs

The Department of Labor channels JTPA dollars to the state governments, which then distribute money to "service delivery areas" (SDAs) within each state. The SDAs funnel money to local PICs.

Seventy percent of PIC funds must be used for training programs. JTPA caps administrative costs at 15 percent, and the remaining 15 percent can be used for support services—subsidizing trainees' child care and transportation expenses, for example.

Most training program participants are "economically disadvantaged," but 10 percent of the money is set aside for workers facing some other type of employment barrier. Forty percent of the regular training funds is designated for youth; the act also establishes a separate summer youth program.

JTPA can fund a variety of programs:

- ☐ it can subsidize on-the-job training (thus covering some of the extra costs involved in training hard-to-train workers)
- ☐ it can provide pre-employment remedial education aimed at improving workers' ability to follow written and oral instructions and
- ☐ it can work with businesses to design and fund customized training programs.

Working with restaurants

A Portland, OR, training organization, Pacific Business and Futures Inc., contracts with PICs to offer two-to-six-week restaurant management training programs to disadvantaged workers. Pacific Business and Futures

recruits the eligible trainees as well as teaches the courses.

Over the last three years, the training program has evolved into a three-part seminar. The first portion provides pre-employment training, where participants learn general work skills, such as how to reach long-term goals. The second portion provides operational training, and the third section offers management training. Trainees receive no stipend for their participation.

One measure of the seminar's success is its placement rate. In a recent class, 88 of 104 participants were placed in jobs and, after three months, 74 of these were still employed. Sharon Darcy, co-owner of Pacific Business and Futures, says her organization is successful because it works so closely with businesses—learning their needs, seeking their advice on course content and securing their commitment to hire the trained workers.

Joseph Angel, a Burger King franchisee operating 26 units in Portland, OR, and Vancouver, WA, has hired these trainees and also serves on a PIC. He spoke highly of the program: "If people want to work and learn, the program really works for them. . . . We've been pleased, and the employees have been pleased to find work that offers some real responsibility."

The Washington, DC-based Marriott Corporation (1,800 units) is firmly committed to the federal job training effort. The JTPA program has been "an additional source of employees at a time when they're really needed and a way to build a stronger, better-trained work force," says Mark Donovan, the company's regional coordinator for the Northeast.

A results-oriented approach

One of the reasons for the high retention rate is that funding for JTPA programs is tied to certain performance standards. Seven percent of a state's JTPA grant may be held as "incentive pay" for those SDAs with good records in combating unemployment and removing people from welfare rolls. At a more local level, PIC payments to training organizations may be contingent upon the number of students enrolled, the number who complete the program, the number placed in private-sector jobs and the post-program retention rate.

"Incentives are double-sided," said Mike Schrader, vice president of human resources for the 1,100-unit Denny's Restaurant chain based in La Mirada, CA. "The trainers have a real incentive to do well, and employers are given excellent incentives and opportunities to choose from an often overlooked pool of workers. The trainers really concentrate on meeting our needs and on finding candidates who can do the job we need to have done. I very much believe in the program."

—Denise Roach

JTPA can work for you

The National Alliance of Business (NAB) is a nonprofit corporation that advises Congress on job-training policy matters and encourages businesses to become more involved in JTPA. Through its seven regional offices, NAB monitors job-training systems already in place in different businesses around the country. Regional NAB representatives are a source of information on model training programs around the country, different ways to use JTPA training funds and how to become involved in local PICs. If you would like more information, contact one of the following NAB offices:

- **New England** (CT, ME, MA, NH, RI, VT); (617) 235-1332
- **Atlantic** (DE, DC, MD, NJ, NY, PA, VA, WV); (201) 524-4022
- **Southeast** (AL, FL, GA, KY, MS, NC, SC, TN); (404) 522-9350
- **Midwest** (IL, IN, IA, MI, MN, ND, OH, SD, WI); (312) 341-9766
- **Central** (AR, KS, LA, MO, NE, NM, OK, TX); (214) 373-0854
- **West** (AZ, CA, CO, HI, NV, UT, WY); (415) 391-4061 and
- **Pacific Northwest** (AK, ID, MT, OR, WA); (206) 622-2531.

Association asks DOL to re-examine TJTC policy

A Department of Labor (DOL) interpretation of Congress's extension of the Targeted Jobs Tax Credit (TJTC) threatens to deny many operators credits for TJTC-qualified employees they hired during the first 10 months of 1986.

Last October, Congress extended TJTC through the end of 1988 and made the credit retroactive to Jan. 1, 1986. Until the extension was enacted as part of the Tax Reform Act of 1986, TJTC was technically dead, having expired at the end of 1985.

In November, DOL directed state employment offices to begin certifying TJTC-eligible employees hired since Jan. 1, 1986; however, the DOL directive maintains that employers who did not make a request for certification during the period TJTC had expired (Jan. 1, 1986, to Oct. 22, 1986) will not receive a credit.

The National Restaurant Association considers the directive patently unfair and is pushing for a more favorable interpretation of Congress's retroactive extension of TJTC. In a letter to Labor Secretary William Brock, Association President G. "Jim" Hasslocher expressed the industry's "total dissatisfaction" with the guidelines and called on Brock to re-examine DOL's policy.

The law requires requests for certification to be filed within five days of an eligible employee's starting date. Without a certification, the employer cannot take a credit. During the period from Jan. 1 to Oct. 22, no certifications were issued because the credit was dead. Yet many local agencies continued to accept requests for certification in anticipation of the credit being retroactively extended.

Agencies in 12 to 15 states, however, told employers to stop sending requests, and agencies in other states returned the requests to employers or even discarded them. Now DOL says employers operating in these

(continued on p. 10)

Tip reporting: a reminder

by Dick Johnson

It is tip-reporting time again. IRS Form 8027, *Employer's Annual Information Return of Tip Income and Allocated Tips*, is due on February 28, 1987. It is timely, therefore, to summarize the IRS tip-reporting requirements.

While most employees know they must report their tip income to their employers, few know that they should keep a detailed daily record of their tip income. IRS Publication 531 (Rev. Nov. 1985) indicates that the employee's daily record of tip income must show the employee's name and address, the employer's name, and, if different, the establishment name, the amount of cash and charge tips received directly from customers and other employees, the amount of tips paid to other employees and the names of other employees to whom the employee paid tips. No particular form of record is required.

In addition to keeping a daily record of tip income, the IRS requires that any employee who receives tips of at least $20 per month furnish his/her employer with a *written* statement of all tips received on or before the 10th day of the month following the receipt of the tips. This requirement includes all directly tipped employees as well as all employees who receive tip income either from directly tipped employees or from a tip pool.

The employee's report must show the employee's name, address and social security number, the employer's name and address, the reporting period, the date on which the report is furnished and the total amount of tips received for the period. Again, while the IRS prescribes no particular form of report, IRS Form 4070, *Employee's Report of Tips to Employer*, is recommended, and the report should be signed by the employee.

Even though the IRS requires the employee to report tip income only once a month, an employer may require reports more frequent-

Dick Johnson is legal counsel for the National Restaurant Association. He is the author of this excerpt from the chapter on tips in the new and expanded Legal Problem Solver for Foodservice Operators. *The book and several state law supplements will be available for purchase from the association in the spring of 1987. The cost is $18.50 for members and $25.00 for non-members.*

(continued from p. 9)

states may not be able to claim a credit for employees hired during the period.

Employers are not in any danger of losing a credit if they sent a request for certification and the local agency retained it. In those cases where a timely request was made but the agency returned or discarded it, DOL says an employer can take a credit only if he can provide "clear and convincing documentary evidence of such timely filing, such as the original written request and postmark, dated certificate of mailing, state agency date stamp or a photocopy thereof." In other words, the burden is on the employer to prove he sent a request, even if the agency threw it away.

Employers that failed to make a request, either because they were told by an agency that no request should be made or that such a request would not be accepted, are simply out of luck, according to DOL.

"No one knew whether TJTC would be reauthorized or whether a new program would be retroactive," Hasslocher said in his letter to Secretary Brock. "To deny participation by employers based upon after-the-fact rules is unconscionable."

The association has encouraged its members to write Secretary Brock to protest DOL's new directive, entitled "Employment Service Program Letter No. 1-87." Send letters to: The Honorable William E. Brock, Secretary of Labor, U.S. Department of Labor, 200 Constitution Ave., N.W., Washington, DC 20210.

—Jay Morris

New *Tips & Taxes* training video

In an effort to ensure that your service employees comply with IRS tip reporting requirements, the National Restaurant Association, in cooperation with IRS, has released the employee video training program *Tips & Taxes*. The eight-minute video gives your employees all the information they need for using IRS Forms W-4, 4070 and 8027.

Employee and reporting responsibilities are outlined in a friendly, straightforward manner. A waitress's first day on the job is the setting for explaining IRS forms and requirements. Through casual but informative conversation with the restaurant manager and another member of the waitstaff, the new waitress learns the importance of keeping daily records of tips. The video dramatization concludes with a brief statement by an IRS spokesman, directing employees to a toll-free number for additional information.

By using this video format, the restaurant manager or owner is able to provide federal tax regulation information without appearing to play the role of an IRS agent.

Tips & Taxes is available for $95.00 in ½-inch VHS, ½-inch Beta and ¾-inch formats. Please add tax, postage and handling charges: Tax is six percent for Washington, DC, residents; and seven percent for Illinois residents. (Chicago, IL, residents must add an additional one percent, making their total sales tax eight percent.) Also add $9.50 for postage and handling. Please use publication number MG345 when ordering. Credit-card orders will be accepted by calling 800/424-5156 (toll free) or 202/638-6100.

ly. Many employers require such reports daily on the theory that such reports more likely reflect all tips received.

Who should file an 8027

Not every employer is required to file an 8027. Only those employers who operate one or more large food and beverage establishments are required to do so. A large food and beverage establishment is one that sells food and beverages for consumption on the premises and which, on a typical business day, employs more than 10 tipped and non-tipped persons or the equivalent—80 employee hours. Tipping must be customary as well.

If an establishment has more than one food or beverage operation, such as a hotel with a gourmet restaurant, coffee shop and cocktail lounge, and each operation has a separate employer's identification number and records receipts independently of the others, a separate 8027 is required for each operation.

If the amount of tips reported by directly and indirectly tipped employees for any payroll period is less than eight percent of the establishment's food and beverage sales (excluding carryout sales and sales to which a service charge of 10 percent or more is added), the employer must allocate the difference among tipped employees either on the basis of a "good faith" agreement or, if there is no such agreement, on the basis of the allocation method prescribed by the regulations.

A good faith agreement is a written agreement between the employer and at least two-thirds of the tipped employees of each occupational category (such as servers, busers, maitre d's), which provides a good faith approximation of the actual distribution of the tip income among the tipped employees. Such an agreement, however, only becomes effective for the payroll period that begins after the date of adoption but not later than Jan. 1 of the next year. It is, therefore, too late to now adopt an agreement for the calendar year 1987, but such an agreement can still be adopted for payroll periods after 1987.

Two methods of allocation

If there is no good faith agreement in effect for a payroll period, then, as noted above, the employer must allocate the difference in accordance with the prescribed formula. In that case, it is important to note that prior to the Tax Reform Act of 1986, the employer had the option of using either gross receipts attributable to, or hours worked by, directly tipped employees. However, under the new tax law, only establishments with less than 25 full-time employees, or the equivalent, may use the "hours worked" method of allocation. Establishments with 25 or more full-time employees, or the equivalent, must use the "gross receipts attributable to" method of allocation. The National Restaurant Association will make an attempt to change the law in 1987, but, in the meantime, if you do not maintain records of sales by server, a good faith agreement is recommended.

The eight-percent threshold can be reduced (but not below two percent) upon petition of either the employer or a majority of the employees. The petition should be filed with the district director or the Internal Revenue District in which the establishment is located.

1987 state election results

by Colette R. Coleman

In 1987, 49 of the 50 state legislatures will be in session. Only Kentucky is not scheduled to meet. In 1986, when 46 of the 50 state legislatures met, an overwhelming 142,000 bills were introduced at the state level, and more than 25,000 of these bills were passed and signed into law. At this rate, there is every reason to believe that 1987 will be the busiest legislative year ever to occur at the state level.

The National Restaurant Association expects increased legislative activity in several areas of interest to the industry. Of particular concern are nutritional and/or ingredient labeling, tort reform, minimum-wage increases, state and local no-smoking ordinances and a variety of proposed tax increases on meals, tourism and advertising.

Governor elections

The 1986 gubernatorial races showed major gains for the Republican Party across the country, especially in the South and West. The new party lineup is 25 Democrats and 24 Republicans, with one race—Vermont—still undecided.

Among the most important races for the GOP was the Florida victory of Republican Bob Martinez, the Mayor of Tampa. Martinez, previously a Democrat, defeated Steve Pajcic, a former state representative who was tagged as a liberal in an increasingly conservative state.

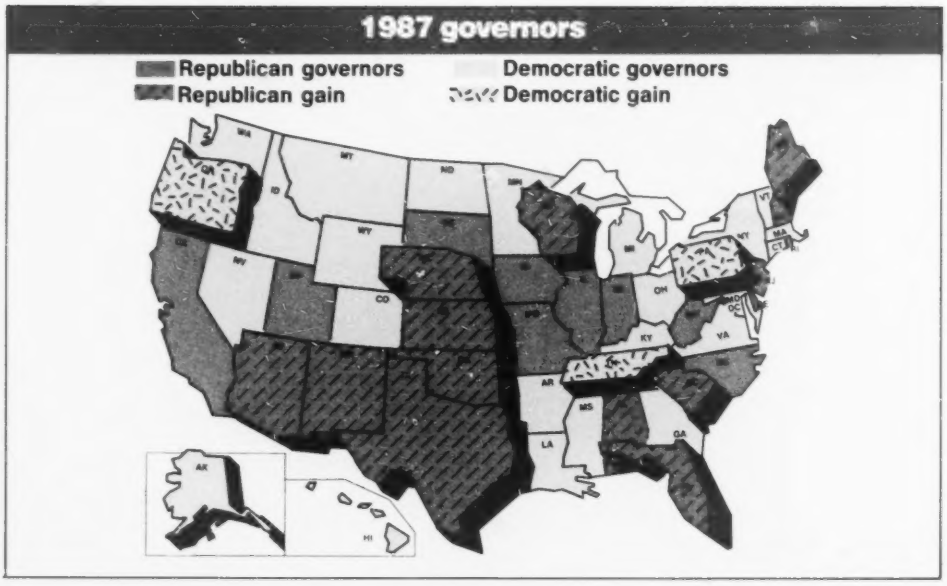
Another key state, Texas, returned to the Republican fold. Former Governor Bill Clements recaptured the statehouse by defeating the Democratic incumbent Mark White. White's tenure was beset by economic troubles, including the collapse of oil prices and a state fiscal crisis. Clements, whose first term earned him the reputation of being a rough-and-ready oil industry millionaire, was far more subdued in his challenge to White this year.

These two races were important to the Republicans because Florida and Texas are two of the three major bases in the party's emerging "megastate" Sun Belt strategy. The strategy calls for building a firm, grass roots, Republican base in Florida, Texas and California in hopes of supplanting traditionally Democratic southern strongholds and laying the groundwork for the 1988 presidential contest. Governors are an important part of the effort because they control patronage and have the power to build local organizations, which in turn can be mobilized on behalf of a national candidate.

A third big win for the Republicans was the election of Guy Hunt of Alabama, who will be the state's first GOP governor since the Civil War. Also, Republican Tommy G. Thompson defeated incumbent Anthony S. Earl, a democrat, in Wisconsin.

In Vermont, Democratic incumbent Governor Madeline M. Kunin led in a three-way race with 47 percent of the vote. But because Vermont law says that the state legislature chooses the winner if no one gets 50 percent of the vote, a final decision will not be made until the legislature convenes in Janu-

Colette R. Coleman is manager, state relations at the National Restaurant Association.



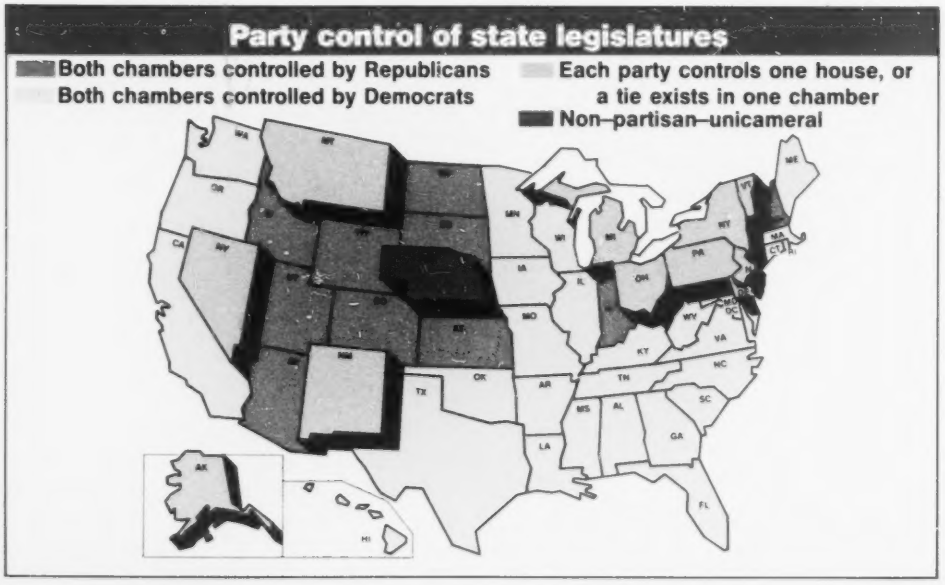
ary. All indications are that Governor Kunin's victory will be confirmed, since the legislature traditionally chooses the top vote-getter when there is a clear advantage. Governor Kunin led her nearest opponent by almost 10 percent.

State legislative races

While the GOP took some comfort in its gubernatorial victories, it did not score as well in other contests at the state level. In the state legislative races, the Democrats came out on top. In January 1987, the Democrats will have a majority in 66 chambers, and the Republicans will control 29.

The Democratic Party obtained new majorities in four legislative chambers—the Connecticut House and Senate, the Minnesota House and the Nevada Assembly. In addition, the Democrats gained a tie in the Vermont House, and they made large gains in three states where they are in the minority: New Hampshire, Indiana and Utah.

In total, three states have ties in one chamber—the Montana Senate, the New Mexico Senate and the Vermont House. Nebraska, which has only one chamber, is non-partisan. During the 1986 sessions, there were Democratic majorities in 64 chambers, the Republicans controlled 32 chambers and two chambers were tied.


Party control of state legislatures
Both chambers controlled by Republicans
Both chambers controlled by Democrats
Each party controls one house, or a tie exists in one chamber
Non–partisan–unicameral

The Democrats now control both houses in 28 states, compared with 26 states before the 1986 election. The Republicans control both houses in 10 states (down from 11 in 1986), and 11 states are split or tied (see map). The new seat count shows Democrats holding approximately 175 more state legislative seats than in 1986. One of the most significant Democratic victories this year came in Connecticut, a state that in 1984 provided one of the party's most striking setbacks. With President Ronald Reagan at the top of the ticket in 1984, Republicans made great gains and won control of both chambers. This year, a strong showing by Democratic Governor William O'Neill helped Democrats regain control, taking 41 seats in the Connecticut legislature.

This gubernatorial influence, however, was not as decisive in other state races. In Wisconsin, for example, before the election, the GOP was three seats short of a majority in the Assembly. It lost two seats despite winning an upset in the governor's race. In Oregon, where Democrats have narrow majorities in both chambers, Republicans made small gains but lost the governorship.

As with governors' seats, control of state legislatures has become a focus of both national parties, with more at stake than the issues on the 1987 legislative agenda. The parties are looking ahead to 1991, when the state legislatures will redraw congressional districts based on the new census. This could potentially alter the partisan lineup in the U.S. House of Representatives.

MIDSCALE RESTAURANTS

Where Have All the Customers Gone?

by David Slater

Max Karl Winkler

Not too long ago, moderately priced family restaurants were all flourishing. They offered quality homestyle food at prices most families could afford. Many midscale restaurants, especially independents with strong, local followings, are still thriving. Many others, however, are discovering that the offer of a good meal at a fair price is no longer enough to ensure continued growth.

In fact, according to the 1986 CREST report, traffic at family-style restaurants remained relatively flat in the first eight months of the year. This dilemma need not be permanent.

Midscale restaurants are hurting. Increased competition is the most formidable factor contributing to their sluggish performance. On one side, midscale restaurants are being squeezed by fast feeders, who are making the biggest dent in their business. On the other side, they are competing for customers with ethnic restaurants, new concepts in casual dining and, to a lesser degree, upscale restaurants that are lowering their prices or offering specials. "Family restaurants just haven't repositioned," says Texas Restaurant Association President Susan Hasslocher. "Many midscale customers are trading down to quickservice operations, and upscale customers are patronizing ethnics and cafes for lighter food and the 'fun aspect.'"

Most midscale operators agree that the competition has substantially increased in the past few years. Tony Hardy, who has owned Tony's Family Restaurant (100 seats) in Douglas, GA, for 18 years, expresses the sentiments of many midscale restaurant owners when he says, "Any place that opens its door and sells food is hurting me."

The fast food challenge

Eppie Johnson, who owns seven family-style restaurants in California, expresses concern that the gap between family restaurants and fast food operations is narrowing. "I walked into a Burger King the other day, and it looked like one of my restaurants," says Johnson. "With their hanging plants and ceiling fans, they're beginning to offer the same ambiance."

Why are customers choosing fast food places?

□ **Convenience.** In an October 1986 Gallup survey conducted for the National Restaurant Association, more than 90 percent of adult respondents cited some sort of convenience factor, such as the location of the restaurant or lack of time, as their reason for choosing a fast food restaurant over another operation. That figure represents nearly three times the number that said they choose moderately priced restaurants for the same reason.

□ **Price.** Another advantage fast feeders have over family restaurants is, of course, their prices. The average check at fast food restaurants is around $2.45, as compared to more than $3.75 (not including tip) at family restaurants. For a family of four, the decision to go to a quickservice restaurant or a family restaurant can be a $10 difference.

□ **Service time.** Perhaps most important is the quick service that fast food restaurants offer. Even those family restaurants that are thriving report that the service differential is their main concern. "Just as McDonald's has created the 'standard' hamburger or the 'standard' french fry, the fast food people have created a time dimension that we have to deal with," maintains Fritz von Ulmer, vice president of marketing for the 21-state, 197-unit Ground Round chain of casual dining/family-style restaurants.

Competition from non-traditional concepts

Family restaurants are not only losing business to fast feeders. They are also losing customers to more innovative competitors within the midscale sector and, to a lesser extent, to upscale establishments. As the eating habits and demands of consumers have evolved, the family restaurant's overall package has not kept pace and has, as a result, become less appealing to the younger consumer.

More than good food is needed to please patrons of fullservice restaurants today. Eating at a midscale or upscale restaurant has become much more of a social occasion, and customers no longer want only traditional home-cooked meals. They have become exposed to a wide variety of foods, and they search out foods which please their eyes and palates.

Ambiance has become almost as important as the meal itself, and many young people opt against family restaurants that have not updated their image.

Problems are solvable

Midscale restaurant operators, however, do not have to helplessly throw up their hands. Martin Roberts of Landor Associates, a New York, NY–based strategic planning and design firm, believes that the family restaurant's problems are "identifiable and solvable." To attract new customers, says Roberts, "these restaurants have to reorient their concepts."

This does not mean changing completely, however. When updating their operations, family-style restaurants should not forget their strong points, such as friendly, personalized service, wholesome foods and broad and varied menus. These are the qualities that have made the family restaurant an American institution.

At the same time, however, this sector's resistance to change and its reluctance to respond to market shifts are the reasons why many family restaurant sales have stagnated. To win new customers without alienating their more traditional clientele, these traditional operations need to broaden their appeal and update their image.

Strategies to broaden appeal

Midscale establishments must attract a greater mix of customers. At present,

there is a disproportionate number of older persons among the clientele of family restaurants, notes Roberts of Landor Associates. When most customers are older, "it creates a sense of an older place," he adds.

Here are some steps family restaurants can take to reorient their operations.

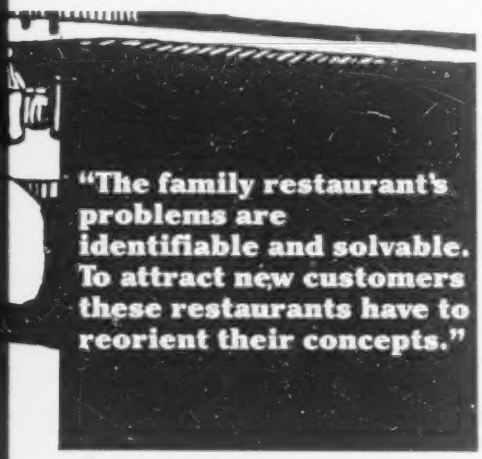
□ **Speed up service.** The first goal should be to make service more efficient without losing the personal feeling that has become a family restaurant signature. This means speeding up service. As David Crawley, spokesman for Denny's, points out, "Speed is a high, high, high priority. Our service at fast food speed would be considered our main goal."

□ **Achieve a more varied menu**

David Slater is a communications specialist for the National Restaurant Association.

mix. The homestyle food that has traditionally been served at family restaurants is perceived by many younger restaurant patrons, especially those who are health or fitness conscious, as being heavy and filling. Noting that the nationwide interest in nutrition is a trend and not a fad, many family restaurants have added a few lighter items or even an entire "lite" section to their menus. They are attempting to communicate a healthier, lighter concept. By offering customers a choice in preparation methods (for example, broiling instead of frying), by promoting healthier homemade dishes and by placing a greater emphasis on fresh fruits and vegetables, an operation can convey a more healthy concept while still remaining attractively "homestyle."

□ **Create an appealing ambiance.** Alert family restaurant operators remodel frequently to give their operations a fresh and/or contemporary appearance. Instead of viewing the operation from the kitchen looking out, the smart operator occasionally sits in his or her restaurant and views the operation from the customers' perspective. This approach should not only focus on aesthetic considerations, such as color and style of furniture and furnishings, but also on functional details, such as the effects of added busing stations or the efficiency of the current flow of traffic.



"The family restaurant's problems are identifiable and solvable. To attract new customers these restaurants have to reorient their concepts."

□ **Make the exterior inviting.** When remodeling, remember that updating the exterior of the restaurant can be an effective way of letting passers-by know that there have been changes made inside the restaurant. These changes can be as simple as brightening the color of the paint or modernizing the restaurant's sign.

□ **Recognize the value of food bars.** Salad and food bars can effectively attract a newer, younger clientele because they represent many of the concepts not usually associated with the family restaurant. Food bars allow for fast service and give customers the opportunity to eat what they want in the quantities that they prefer.

For example, Bonanza's large, varied food bar is credited with being a key to the 565-unit chain's successful shift from a budget steak house to a more contemporary casual-theme restaurant. The food bar includes 65 items, from salads and fruits to hot vegetables and soups, and is not only attracting younger customers but generating 30 percent of total sales as well.

□ **Add appetizers.** When attempting to reach a mixed audience, family restaurant operators should realize that the consumers' eating habits have changed. Many young people have not been raised on meat and potatoes or three square meals. They are used to raiding the refrigerator and eating according to their own schedules. By adding fresh, light appetizers—such as crisp, fresh vegetables, spring rolls or homemade soups—operators can broaden their appeal to customers by catering to their tendency to nibble.

□ **Consider carryout.** Although a midscale restaurant's diverse menu is a hindrance to quick preparation, the takeout market need not be totally out of reach. Bob Evans Farm, for example, has recently boosted takeout sales by 43 percent through an aggressive marketing campaign. The corporation converted a small amount of counterspace (roughly equal to one seat) to a takeout area, added incoming telephone lines for orders and created a takeout menu by grouping together signature items from its regular menu that lend themselves to quick preparation.

Under the right circumstances, a popular takeout operation can even evolve into a delivery service.

□ **Update equipment.** Consider adding equipment to prepare items that might better fit the new image you are trying to convey. A flame broiler, for example, might provide an operator with a more popular and healthier way of cooking certain items as might a Rair oven which fries food with hot air and pressurized steam rather than oil. For an operator concentrating on service time, adding a microwave to defrost or heat foods, and computerized registers to speed up check payment might help get customers in and out more quickly.

□ **Change layout.** In addition, most midscale restaurants tend to favor booths because the operations were designed to serve families and larger parties. Today, families comprise only 20 percent of the midscale market, and the average party size is 1.92. An operation, then, can become more efficient by removing some booths and installing smaller tables that can be pushed together when necessary.

□ **Respond quickly to market changes.** One of the most crucial factors in building a strong, local following is to respond quickly to market changes. "Understanding the local market," says Susan Hasslocher, "is extremely important in being able to find your niche."

For example, Elby's, a 72-unit chain of family-style restaurants based in Wheeling, WV, has found that their customers are older in West Virginia and western Pennsylvania and younger around Columbus, OH. In the future, says Tom Johnson, vice president of operations, Elby's hopes "to cater to markets by age-groups. After all, it's hard to sell liver and onions to a young person."

□ **Advertise and promote.** Reorienting a restaurant's concept entails a great deal of work. An operator's efforts will be in vain if he or she does not successfully communicate the changes that have been made.

In sum

No restaurant can please everybody. There will always be people who want a quick, on-the-spot meal to eat in the car or people who want a quiet, romantic dinner in an elegant setting. For these people, a family restaurant might not be the right place. At the same time, however, there will always be a market for restaurants that offer a broad homestyle menu served by friendly people at reasonable prices. By remembering that an operation can be "traditional" and "contemporary" at the same time, the family-style restaurant can continue to be an American institution. ❑

THE MIDSCALE DILEMMA

The dilemma for midscale restaurateurs is that despite positive consumer attitudes about their dining experiences at midscale establishments, the midscale share of the market continues to erode.

Consumers are well-satisfied with their experiences at moderately priced family restaurants, according to the results of a Gallup survey conducted for the National Restaurant Association in October 1986.* Nevertheless, customer traffic at midscale restaurants** has declined for nine consecutive quarters since summer 1984, according to CREST.

Overall, CREST information indicates that restaurant traffic advanced 4.3 percent from summer 1984 to summer 1986. During the same two-year period, traffic at midscale restaurants declined 6.5 percent. Also, their share of overall restaurant traffic dropped from 27 percent in summer 1984 to 24 percent in the summer of 1986.

Consumers are satisfied

Consumers are satisfied with their visits to moderately priced family restaurants. Gallup survey results show that a majority of consumers are satisfied or very satisfied with nine different aspects of dining at moderately priced family restaurants. On the other hand, 10 percent or fewer report they are dissatisfied with any aspect of their visits to those restaurants.

In general, consumers are most satisfied with the convenience and cleanliness of moderately priced restaurants. In addition, at least two-thirds of the respondents also reported they are satisfied with the attitude of servers, variety of food and beverages offered and food quality.

Consumers are slightly less likely to be satisfied with the atmosphere at moderately priced restaurants and with speed of service.

Because declining customer traffic at midscale restaurants cannot be attributed to customer dissatisfaction, it is necessary to look elsewhere to un-

Interviews were conducted by telephone with a national sample of 1,008 adults, 18 years of age and older, during the period of September 8 to October 10, 1986. Moderately priced family restaurants were defined as having waiter or waitress service and a check size per person that usually does not go much above $6.00.

***Midscale restaurants, as defined by CREST, include family-style places, cafeterias and coffee shops. They usually offer tableservice. Some offer wine or beer, but few provide cocktails. Per-person checks averaged $4.14 in the year ending August 1986.*

Circumstances under which consumers are more likely to choose a moderately priced family restaurant

Family dining occasions are most popular for visiting midscale restaurants

Circumstances	Percent
When dining with family	14%
When I want affordable/ lower-priced food	12
On special occasions	11
Good food quality	9
Better atmosphere/more relaxing	9
Just to go out	9
When I don't feel like cooking	8
When dining with friends	7
Convenient location	6
When in a hurry	5
Menu selection/more variety	5
To get away from fast food	4
When I want to sit down and be served	3
When I have extra money	3
For a weekend meal	2
When out of town	2
Never eat a meal out	2
When going out for lunch	2
Business meetings	1

Source: National Restaurant Association Gallup Survey

Frequency of eating out

Consumers eat out more frequently at fast food establishments than at moderately priced family restaurants

	Moderately priced family restaurants	Fast food establishments
More than once a week	12%	26%
About once a week	26	24
Once every two or three weeks	23	18
About once a month	20	10
Less often than once a month	13	13
Never	4	6
Can't say	2	3

Source: National Restaurant Association Gallup Survey

derstand what is happening in the midscale sector.

Occasional customers are important

Comparatively speaking, moderately priced family restaurants are much more dependent on occasional customers than are fast food establishments, which means that midscale establishments require a relatively large customer base.

In fact, according to the Gallup survey, 43 percent of consumers report they visit a moderately priced restaurant once every two or three weeks or once a month, compared to 25 percent who visit fast food places on an occasional basis. In contrast, 26 percent of consumers say they visit fast food places more than once a week, compared to only 12 percent for moderately priced restaurants.

Only 17 percent of consumers report they visit moderately priced restaurants rarely or never, compared to 19 percent for fast food places.

Visits are discretionary

CREST data, as well as the National Restaurant Association's Gallup Survey, suggest that the midscale traffic decline is associated with decreased visit frequency rather than a drop in number of consumers who are visiting these restaurants.

Currently, time-pressured occasions and the need for convenience seem to be largely responsible for increases in industry customer traffic. Although several types of midscale restaurants, including Asian establishments and barbecue places, have enjoyed traffic gains, most traffic increases are concentrated in the quickservice sector, particularly for off-premises occasions. The majority of consumers choose a fast food place when they are in a hurry and need a quick meal—a time-pressured occasion.

Consumers choose moderately priced family restaurants, on the other hand, for social rather than functional occasions and for discretionary rather than necessary occasions.

At a time when consumers have less cash to spend—a result of an increased debt load, lower inflation rates and smaller wage increases—discretionary occasions at midscale restaurants become more expendable.

Thus, despite the fact that consumers are well-satisfied with their visits to moderately priced restaurants, discretionary occasions at midscale restaurants are being trimmed, and visit frequency is declining.

—Susan Mills

Satisfaction with moderately priced restaurants

Consumers are least satisfied with speed of service and atmosphere at midscale establishments

		Percentage	
	Mean rating*	Satisfied	Dissatisfied
Convenience—because respondent didn't have to prepare the food	4.32	79%	4%
Cleanliness	4.04	71	5
Location convenience	3.97	66	7
Attitude of servers	3.96	67	8
Variety of food and beverages offered	3.95	66	5
Food quality	3.90	67	6
Price paid for value received	3.85	64	8
Atmosphere	3.73	58	10
Speed of service	3.67	54	9

**Mean scores based on a scale of one to five where four and five mean satisfied and one and two mean dissatisfied.*

Source: National Restaurant Association Gallup Survey

CREST midscale restaurant performance

□ **Customer traffic:** Off for nine consecutive quarters. Traffic declined 5.5 percent in the year ending August 1986. Traffic is off for all meal periods. For the year ending August 1986, breakfast and morning traffic was down 5.4 percent from the year before. Lunch dropped 6.0 percent, supper was down 3.5 percent and the afternoon and evening snack dropped 9.1 percent. The largest share of the loss in customer traffic is attributed to varied menu restaurants.

□ **Customer check:** The per-person customer check averaged $4.14 in the year ending August 1986.

□ **Visit frequency:** Frequency per household reached declined 5.0 percent.

□ **Promotions:** Midscale restaurants are placing more emphasis on promotions. The percent of occasions on which a promotion was used increased by 10.0 percent in the year ending August 1986. Still, fewer midscale occasions involved promotions (9.2 percent) than did quickservice occasions (14.2 percent).

□ **Off-premises eating:** Takeout and home-delivery occasions, which are responsible for much of the industry gain in traffic, have declined in the midscale sector. In each of the past six consecutive quarters, off-premises traffic declined from one year earlier.

From Dishwasher

by Anne Papa

In order to publicize career opportunities within the foodservice industry, *Restaurants USA* recently included a survey response card which asked operators, "Have you worked your way up the foodservice career ladder?" Dozens of responses were sent in. Successful restaurateurs who began

Thirty-seven years ago, young Charles Smith loaded up his car, bid a farewell to the family farm in Massachusetts and headed west. His destination was "somewhere new, maybe Arizona. I really just wanted to see what was out there."

Fate intervened, however, when his car broke down just outside of Denver, CO. Since it looked as though he'd be staying there a while, he decided to get a job. "At the time, my experience was limited to milking cows and driving trucks," he recalls. "Unfortunately, I was too young to be a truck driver—and there are precious few cows in Denver," he quips.

So when Smith saw a help-wanted sign in the window of a small short-order restaurant in town, he applied for the job. "They needed someone back in the kitchen, washing dishes," he says. "It seemed like a decent way to earn money while I looked for another job."

That was in 1949. In 1980, Charles Smith found another job.

It was six years ago that Smith left Reese House, the restaurant chain where he began as a dishwasher and climbed his way up to assistant manager, manager and, finally, general manager of the entire five-unit chain. Today, he operates two restaurants of his own, C.S. Goodberry's in Arvada, CO (160 seats), and a new C.S. Goodberry's in Lakewood, CO (220 seats). His restaurants are known throughout Denver and its suburbs for quality dining in a comfortable setting. And Smith has achieved recognition from his industry peers as well; this past May, he was elected to serve on the board of the National Restaurant Association.

"After all of these years, it's difficult to pinpoint exactly why I've persevered," says Smith. "Actually, owning a restaurant is similar in many ways to running the family farm. If a job needs doing, you do it—even if it takes all day and night. But as long as you're willing to meet the demands of an incredibly demanding profession, then you'll also get the rewards."

Charles Smith

Peter Briggs wanted to be an English teacher. At least, that was his major in college. To earn his way, however, he worked part time, alternately as a busboy, bartender and wine steward. "I worked to earn a little extra money," he explains. "However, it soon became apparent that a *little* money was turning out to be a *lot* of money. I began to realize that perhaps teaching English wasn't the best option for me."

So Briggs got a full-time job as a waiter and eventually moved into management. He then became part-owner of a chain of bagel shops before acquiring the operations he currently owns: two Amigo's Mexican Restaurants (120 seats, 46 seats) located near Burlington, VT. "I guess you could say I've done a bit of everything," he notes. "The only thing I haven't done is teach English. But I have no regrets."

Briggs says he learned early on in the restaurant business that "responsibility is the key. Prove your dependability, and you can go anywhere within an organization." He has applied that lesson to Amigo's Mexican Restaurants; in fact, he attributes much of the success of his business to the people who work for him. "My partner and I have been able to avoid the time-management problem experienced by many operators because of our staff," he attests. "It's not necessary for us to be on site or to have our fingers in every pie. Instead, we put a lot of trust in our management team. Experience has taught me that."

Anne Papa is a communications specialist for the National Restaurant Association.

To Restaurateur

their foodservice careers as dishwashers, busboys, waiters or waitresses—all are testimony to the wealth of opportunity available in foodservice. Here is a look at the career paths of one group of successful operators—those who began as dishwashers.

When Don Dey Ermand was hired at the Middleton Tavern, a renowned Annapolis, MD, restaurant, he started at the bottom—even though he'd already had experience as a waiter in other establishments. "It was a policy. Everyone started at the bottom, no matter how much experience they'd had," he explains. But Dey Ermand had only been at the Middleton Tavern for two weeks when he received his first promotion—to day/night waiter. From then on, he reports, it was a steady climb.

"Promotions provided a real incentive for me to challenge myself, to try harder," he says. "Eventually, I became general manager, and the majority of operational decisions at the restaurant were left up to me."

After working for someone else for 11 years, Dey Ermand decided he was ready to apply his foodservice know-how to his own operation. So he bought "a dive" in nearby Crofton, MD, renovated it and reopened it as The Sly Horse Tavern (115 seats). That was a little over a year ago, and today the restaurant is enjoying a steady business.

Dey Ermand views his new role as owner as "a constant challenge. My top priority is giving customers what they want. If someone wants spareribs and we don't have them on the menu, we'll get them. As an owner, every judgment call I make is in the customer's favor."

But Dey Ermand also strives to keep his employees happy—to the point where, if the dishwasher is backed up, he often rolls up his sleeves and helps out. "Anyone who thinks that owning your own restaurant gets you out of washing dishes, should think again," he laughs. "It's important to create a cooperative atmosphere because we're all in this together. That's what I learned when I was starting out, and that's what I hope to impart to my employees."

Don Dey Ermand

"I wouldn't have lasted a day in this business were it not for the fact that every single day is different," maintains Joseph Segreto, owner of The Shadows Restaurant (150 seats) in Mandeville, LA. "Whether I am washing dishes, managing someone else's restaurant or running my own place—no two days are the same."

Segreto got his first taste of the restaurant business 31 years ago as a dishwasher and vegetable scrubber in his father's restaurant. "Whatever needed doing in the kitchen, I did it," he recalls. But Segreto says his hands-on foodservice education truly began when he went to work as a busboy at Brennan's, a renowned establishment in New Orleans' French Quarter. "At various times, I was a busboy, waiter and headwaiter there," he says. "My experiences working for that legendary restaurant family were incredible."

One lesson that Segreto learned during his early years in the business was that "if you want to get anywhere, you have to be committed. In other professions, you can leave Friday evening and come back Monday morning. In the restaurant business, your days, your nights and your holidays belong to your customers." But, he adds, that, for him, it has been worth it. "When I became an owner, first of a place called Broussard's in the French Quarter and now at The Shadows, I was prepared for the necessary commitment of both time and energy. In fact, I thrive on it."

Segreto says his years of experience also prepared him for his managerial role. "I recognize the value of motivating employees and promoting from within," he says. "In my restaurant, a dishwasher has the potential to become sous chef or maitre d'. We're finding more kids who wash dishes part time at night, like what they see and decide to stay and move up."

When Paul Pappas was in junior high school, he was told to write an essay on "what I want to be when I grow up." For Pappas, the assignment was an easy one. "Even back then, I knew I wanted to own a restaurant some day," he recalls.

Today, Pappas' dream has come true. He owns Michael's, a 250-seat restaurant in La Crosse, WI. And although the restaurant is entirely his own, it is one of three restaurants under Pappas-family ownership to be named after Paul Pappas' grandfather, Michael.

"Even though I operate this restaurant independently, I'm a family businessmember at heart," he laughs. "I literally grew up in the business." Pappas' father, uncles, grandfather and great-grandfather were all restaurateurs, and Pappas' first job was as a dishwasher in his father's operation. "I was a dishwasher. I was a busboy. I was a gopher. I was everything," he recalls.

Pappas maintains that one of the best decisions he made during his early foodservice years was to leave the family business for a while. "It's important to get a different perspective," he says. Following college, he worked for a time as an industry analyst and as a manager for Holiday Inns. "Because I came from a small independent business, working for a large organization was a real eye-opener," he says. "The essentials are the same—hospitality and service—but operations are completely different."

Pappas eventually decided to open his own restaurant because "like any young person, I wanted to be 'number one,' and it just wasn't going to happen in a big organization." But he has been able to apply the lessons learned at Holiday Inns to his own operation. "Had I never ventured from my family's business, I would not know as much about running a business as I do now," he says. "My primary recommendation to my brothers, as they get into the business, and also to my employees is: 'Get as much experience as possible before branching out on your own. It will pay off tremendously in the long run.'"

Steven Nordstrom, owner of Ferguson's Cafeteria (400 seats) in Phoenix, AZ, credits his first boss with teaching him everything he knows. "Ralph Ferguson ran a first-class operation," attests Nordstrom. In fact, 12 years after starting as a dishwasher under Ferguson, Nordstrom bought him out.

"I started out here part time, just to earn extra money while in high school," recalls Nordstrom, "but I found myself spending more and more time at the restaurant. Eventually, as new positions became available, I took them." Even while Nordstrom was taking business courses at college, he commuted nights and weekends to his job as supervisor at Ferguson's. After he obtained his degree, Ralph Ferguson promoted him to manager.

Steven Nordstrom

When Ferguson eventually decided to retire, it was a natural progression for Nordstrom to buy him out. That was seven years ago, and Nordstrom reports that the restaurant still operates in much the same way as it did under Ferguson's ownership. Customers still find the familiar, high-quality food on the menu and a welcoming atmosphere. No plans have been made to change the restaurant's name.

But Nordstrom says there is one major difference now that he is owner. "I don't have anyone to lean against," he says. "I have to make all the tough decisions by myself."

Robert Sheahan, owner of the Colonial Restaurant (125 seats) in Thomaston, CT, says his first job as a dishwasher actually soured him on the restaurant business. "The manager at that restaurant taught me how *not* to treat employees," he says. The job lasted two weeks, at which point Sheahan "left the business for good"—or so he thought.

It wasn't until he was in college, living off-campus with friends, that Sheahan discovered his knack for cooking. "I made Thanksgiving dinner for 20 friends who couldn't go home for the holidays," he remembers. "They loved it. It was a big thrill for me." A friend of Sheahan's at the dinner suggested that he apply to the Culinary Institute of America (CIA) and become a professional chef. Sheahan took the advice. He enrolled at CIA and graduated. From that point on—even while back at school earning a business degree—he never again left the foodservice industry. "I worked as a chef in other people's kitchens before opening my own," he says, "and never again was the negative experience of my first job repeated."

Sheahan says his decision to quit "other people's kitchens" and open his own place came because "there comes a point in every person's life when they know all the answers. Mine came at age 32. I suddenly decided I didn't want to work for anyone anymore—I wanted my own place." Sheahan looked at many locations before finding what he wanted: a 40-seat diner, which he has since expanded into a comfortable family restaurant. "Of course," he adds, "once I got my own place, I realized that I didn't have all the answers. I didn't even come close."

But one aspect of his operation that Sheahan is 100 percent sure about is the value of his employees. "I know that my restaurant is only as good as the people who work for me," he says. "I try to manage my staff as I would like to have been managed." Sheahan says he is often accused of being too soft, but he feels comfortable with his management style. "I know what it's like to be treated poorly, to be looked upon as a second-class citizen," he explains. "As an owner, this is my opportunity to do things my way." ❑

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A RENAISSANCE BEER IN AMERICA

Jim Koch, owner of the Boston Beer Company, emphasizes quality control in the brewing of his Samual Adams Lager.

by Philip Kralovec

Are Americans beginning to drink beer the way they drink wine—savoring the nose and flavor? Recent drinking patterns seem to suggest this. While overall consumption of beer has not gone up, the variety of beer has increased.

"I don't get no respect." Rodney Dangerfield's plaintive cry used to apply to the plight of beer in America. While wine and spirits enjoyed images of sophistication, beer was relegated to icing lawnmowing thirsts and biding lulls during baseball games. But all this is changing. America is on the threshold of a renaissance in beer drinking and beer enthusiasm. Beer's rich heritage, the diversity and complexity of its many styles and the art and skill that brewmasters bring to their craft are finally being appreciated. Not only are imported beers increasing

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in popularity, but small domestic breweries are also growing prolifically. They are brewing distinctive specialty beers, the likes of which have not been seen in this country since before Prohibition. Restaurants, too, have tapped into the trend by offering extensive beer lists and preparing dishes cooked with beer.

America's taste in beer is expanding. Americans are developing a palate for more fully flavored beers, such as the crisp, highly hopped imported pilsners; refreshingly spicy wheat beers; malty and fruity ales; and chocolatey stouts.

According to Michael Jackson, the world-renowned authority on beer and the author of *World Guide to Beer* and other beer guides, there are approximately 15,000 beers to choose from. They are brewed worldwide in a seemingly countless array of styles. For example, the eclectic selection includes white beers, red beers, brown beers, steam beers, monastic ales, Scotch ales, bishop ales, Christmas ales, Irish stouts, Russian stouts, milk stouts, oatmeal stouts and barley wines. Each beer is distinctive in look, smell and taste and can vary as widely as a cabernet does from a chardonnay—perhaps even more so. The choice is impressive. There are even some cherry and raspberry beers which receive a second fermentation with macerated fruit.

The imports

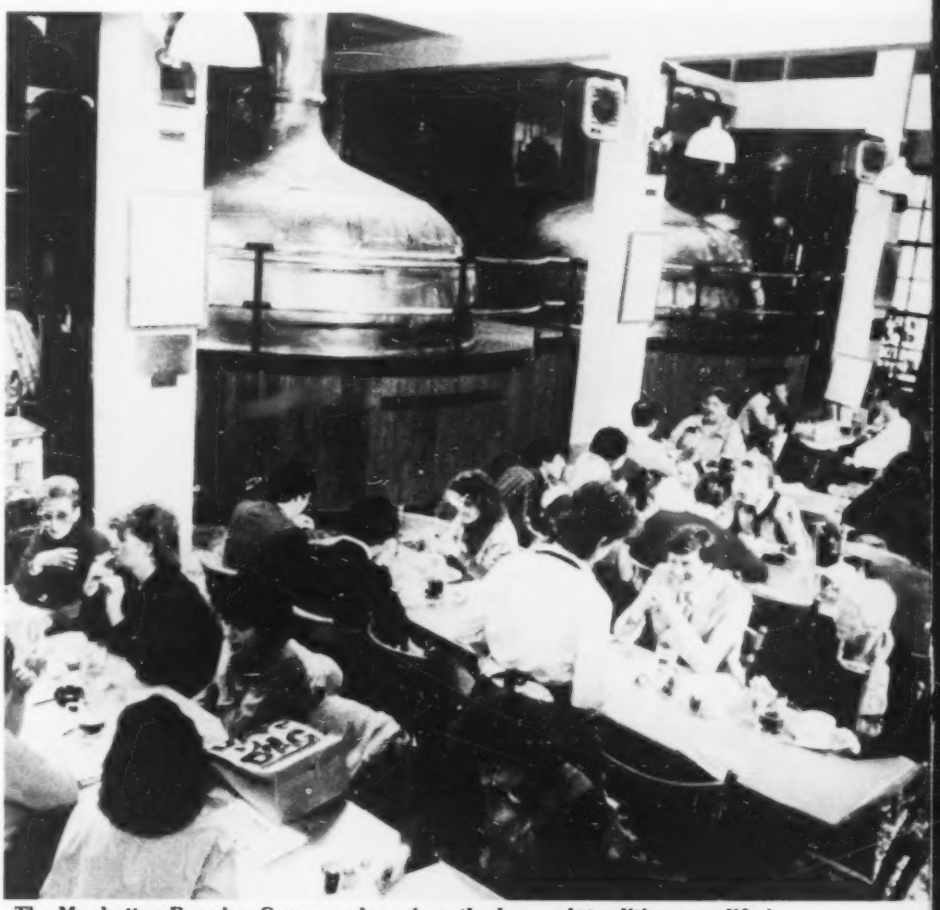
One of the most telling indicators of America's blossoming taste for beer has been the steady and strong growth of the imported beer market. Beer is brewed, enjoyed and exported by virtually every country in the world. According to the United States Department of Commerce, approximately 400 beers are currently imported from 50 different countries as varied as China and Kenya, the newest entry to the United States imported beer market. This is a rather staggering increase from the 190 beers *Modern Brewing Age* magazine reported were in America in 1980. The import market is expanding because Americans are drinking more and more imported beer—up from 1.7 million barrels in 1975 to 7.9 million last year, according to *Impact Newsletter*.

Why are imports growing in popularity? One well-founded reason is that some of these beers, such as Czechoslovakia's Pilsner Urquell, Ireland's Guinness Stout and Belgium's Chimay Ale, are among the finest beers in the world, and beer aficionados everywhere enjoy them. Furthermore, until recently, no domestic brewer was brewing beers in this type and style. The Prohibition had effectively squelched the American brewing industry, which had begun with the Pilgrims and flourished in the 1800s following the large immigrations of Bohemians, Germans and other Europeans.

A new breed of domestic breweries

The most promising result of the beer renaissance in this country has been the revitalization of America's small brewing industry. There are about 80 "craftbreweries" (as they are aptly named), spread across the country, according to the Institute for Fermentation and Brewing Studies. Many more are on the drawing board. Just three years ago there were only one dozen or so of these breweries concentrated in Northern California and the Pacific Northwest. Now the impressive list includes such excellent new craftbreweries as Grants (WA), Sierra Nevada (CA), Portland (OR), Boulder (CO), Arkansas Brewing (AR), Rhomberg (IA), New Hibernia (WI), Newman's Albany Amber Ale (NY), and New Amsterdam Amber Beer (NY).

The first and most successful of these craftbreweries is the San Francisco Anchor Steam Brewery. In 1965 the old Anchor Brewery was about to close its doors when Fritz Maytag, heir of the



The Manhattan Brewing Company has given the beerpub tradition new life in New York, NY. Surrounded by copper brewing kettles, customers can dine on pub-style fare in a German beer garden atmosphere or order seafood and pasta in The Ocean Grill. The company produces up to 750 gallons of nine different ales each day. It delivers the ales throughout Manhattan in a restored 19th-century beer-wagon, pulled by two English Shire horses.

washing machine family fortune, entered the picture. Initially Maytag only intended to help save steam beer from extinction—the only indigenous American-style beer, which had originated in San Francisco.

However, he soon found himself as president of the company, and, after improving the product to its original standards, he successfully turned the company around. Today, Anchor brews about 40,000 barrels a year. (For frame of reference, Anheuser Busch produces 68 million barrels.) In addition to its all-malt namesake beer, the brewery offers several excellent specialty beers, such as Anchor Porter, Liberty Ale, Anchor Wheat Beer and two seasonal offerings—Christmas Ale and Old Foghorn Barley Wine.

Across the country, the Boston Beer Company is also thriving. This company is run by a young Harvard grad, Jim Koch, who inherited his love and knowledge of beer from a long line of brewmasters. In 1985, using a recipe created by his great-great-grandfather, Koch began brewing Samuel Adams Lager. Koch, at present, does not have his own brewery; instead, like many of the new craftbrewers, he leases another brewery for one or two days each month. Koch personally does the brew-

Restaurateurs profit from beer revival

Many restaurants have wisely addressed the growing interest in beers. Most large cities throughout the country now have at least one "beer restaurant" or "beer bar" noted for its good selection of beer.

One such successful operation is the 150-seat Our Gang Restaurant in Rocky River, OH, just outside Cleveland. According to general manager Stevie Voorhees, when the establishment opened three years ago, it served 15 to 20 imported beers. Today, thanks to a dramatic increase in sales, Our Gang features roughly 115 imports from 26 countries. The selection includes ales, stouts, pilsners, porters, lagers, bocks and doppelbocks as well as non-alcoholic, light, Vienna, wheat and cherry beers.

To promote the beers, Our Gang holds frequent beer tastings for customers as well as lectures on brewing techniques and such beer characteristics as head retention, aroma, color, flavor and texture. It also sponsors a beer club called the World Beer Tour. Customers who enroll in the program and sample at least 65 beers can earn prizes, many imprinted with the restaurant logo or advertisements for the club, such as T-shirts, mugs, golf shirts and satin jackets. More than 4,000 people are members in the World Beer Tour, nearly half of whom have tried all the beers. Fifteen members have completed 10 rounds.

The Old Chicago, a 225-seat restaurant in Boulder, CO, features a similar program for its 110 beers—quite an impressive selection for an establishment that did not emphasize beer when it first opened 10 years ago. In addition to T-shirts, glassware and beer-expert Michael Jackson books, club members also become eligible for the annual grand-prize drawing—an all-expenses-paid trip to Europe, sponsored thus far by English and German brewers.

As Our Gang and Old Chicago suggest, beer clubs can be great traffic builders. They attract knowledgeable beer drinkers and help educate new ones.

As with wine sales, however, beer sales depend upon a knowledgeable staff. Our Gang accomplishes this by holding frequent staff beer tastings, which educate the servers and generate excitement in the beers. Other important considerations include reliable distributors who can guarantee a constant and fresh supply of beer, adequate storage facilities and a good inventory control system because beer, unlike wine, declines with age.

Extravagant selections are not the only way to approach beer profitability. Many restaurants are doing just as well with smaller lists which feature 25, 10 or even five well-chosen beers. Leslee's (130 seats), in Evanston, IL, features 25 carefully selected domestic and imported brews. A beer menu card includes a short description of each beer, its country of origin and its particular style. Leslee's owner, Leslee Reis, also on occasion dabbles in cooking with beer. Included in her seasonal offerings are a Flemish stew made with beer, beef and onions and a chili hopped with beer. At the North Star Pub (New York, NY; 53 seats), a signature item is the *Guinness Steak and Oyster Pie*—an appropriate entree for an establishment whose major emphasis is British pub fare and the beers of England, Scotland, Wales and Ireland. According to Deven Black, National Restaurant Association member and general manager, the pub has seen a 60-percent increase in sales over the last two years.

Beer also marries well with haute cuisine. Jean Alberti, head chef of the 365-seat Tower Restaurant in Los Angeles, CA, reports that the chefs of France, Germany and Belgium have always cooked with beer. He believes such recipes will be more common here since America's young chefs have already been introduced to beer cookery. Several years ago the Culinary Institute of America in Hyde Park, NY, held the Great Guinness Stout Cookoff Competition, sponsored by the Guinness Company. Among the winning recipes were *Stout Pumpernickel Soup* and *Clam Beer Fritters.*

Some operators have even incorporated beers into the takeout arm of their business. In some cases, customers can design their own six-pack by choosing any six beers from the restaurant list. In other cases, the operators make the selections.

ing and has been religious in his attention to quality control.

The new craftbrewers can learn a great deal from Koch in this regard. The demand for Samuel Adams far exceeds its annual 24,000-barrel production. "If this quality is maintained," Koch predicts, "in 20 years I'll sell more Sam Adams in the U.S. than Heineken does." Also, in a delicious twist, Samuel Adams is distinguished as being the only American beer permitted entry into West Germany, having passed the stringent requirements of the German Beer purity and protective law—the Reinheitsgebot.

Anchor Steam Beer and Boston Beer Company are relatively large craftbreweries. Many others began as homebrewers and just grew. An excellent example is the Kalamazoo Brewing Company. Larry Bell, company president, brews Great Lakes Amber Ale, a beer which has a lovely fruity flavor redolent of the fruit-growing region of Southwestern Michigan from which it originates. Kalamazoo's current capacity is a tiny 520 barrels a year, most of which is supplied on draught to Kalamazoo and Grand Rapids restaurants and bars. In order to make a profit, Bell believes he needs to boost production to between 2,500 and 5,000 barrels a year, a problem common to most of today's craftbrewers. Unfortunately, expansion necessitates larger brewing equipment. The equipment is quite costly and requires financing.

But it is a move that seems to pay off. Even one of the "big six" U.S. breweries has gotten into the act. G. Heileman refashioned its subsidiary Val Blatz in Milwaukee, WI, into a small specialty house. Heileman invested a great deal of money to build a new state-of-the-art brewery and hired the colorful Hans Kestler of Augsburger beer commercial fame to brew a number of Val Blatz's turn-of-the-century beer recipes. The brewery began production last September and is currently only supplying to restaurants and bars.

These new domestics have been very well received and are quickly expanding beyond their regions of origin. Moreover, many beer bars and restaurants report that these new domestic beers are extremely popular with customers, not only because they appeal to the "buy American" mood of the country and, on a smaller scale, regional pride, but also because the beers are fresh and have none of the additives and preservatives the imports must employ.

The San Francisco Anchor Steam Brewery, one of the first and most successful craftbreweries, now brews about 40,000 barrels a year.

Brewpubs

No other aspect of the renaissance of beer has fermented as much excitement among restaurateurs as have brewpubs. No wonder, the concept is tailor-made for today's restaurants with the existing trends of open kitchens and made-from-scratch wholesomeness.

A brewpub is a tavern or restaurant that brews and vends its own beer on the premises. Brewpubs have been around for centuries and are still commonplace throughout Europe. They originated at a time when beer did not store or travel well and an outlet had to be close to the source.

Presently, there are six brewpubs operating in the United States, according to the Institute for Fermentation and Brewing Studies. The numbers are so few because, until the beginning of this decade, brewpubs were illegal. To date, nine states permit brewpubs: Washington, Oregon, California, Colorado, Illinois, Kentucky, New York, Massachusetts and Wisconsin. Many more brewpubs are being planned, and legislation permitting them is being proposed in additional states.

One of the earliest and most successful brewpubs is the Mendocino Brewing Co. in Little Hopland, CA—defiantly situated in the heart of wine country. Mendocino Brewing was started in 1982 by two homebrewers who were spurred on by the acclaim their homebrew recipe received. In that year, they built a small brewery onto an old tavern and leased the food business to an outside concern as required by law. The pub has been so successful in this tiny town that production has already been boosted several times to meet the increasing demand for their four reasonably priced beers on tap—Peregrine Pale Ale, Blue Herron Ale, Red Tail Ale and Black Hawk Stout. A hefty magnum to go is available for takeout. In order to be profitable, president and co-owner Michael Laybourn believes production will have to be further increased from the current 900 barrels to 2,500 barrels a year.

As appealing as brewpubs sound, they are not without problems and complications. Because the legislation permitting them is so young, federal, state and municipal regulations have not caught up as yet. This is further complicated by the fact that brewpubs deal with the manufacturing, distribution and sales of alcoholic beverages—a triple whammy where taxes are concerned.

Beer facts

The origins of beer, like wine, are not definitely known, although, according to beer authority Michael Jackson, "beer brewing was already a sophisticated industry 3,000 years before Christ."

In its purest form, beer is a combination of malted barley, water, yeast and hops. The hop is an aromatic herb added for flavor and its natural preservative and clarifying properties. Throughout history, other herbs, such as coriander, bay leaf and rosemary, have been similarly employed.

In the initial stages, all beers are made in essentially the same manner. Once the barley has been malted—a process in which the grain is soaked, allowed to germinate slightly and then dried—it is milled into a grist. This grist is steeped in hot water, and the resultant mash, when separated, yields a liquid called wort. The wort is then hopped and brought to a boil or brewed. After the brew has cooled, the yeast is added for fermentation. It is at this stage that the methods begin to vary, producing different styles of beer.

All beers can be grouped into two basic categories—those brewed using bottom fermentation and those brewed by top fermentation. Put very simplistically, bottom fermentation is accomplished at cool temperatures and then stored or "lagered" for a duration. The cooling causes the yeast to drop to the bottom, hence the name. Pilsners are brewed in this manner. Top-fermented beers, on the other hand, are brewed at higher temperatures for shorter periods of time. Ales and stouts are examples of this method.

There are between 20 and 30 classic beer styles. On a first tasting, some may seem unusual but eventually an acquired taste develops. A good introduction would include

□ **Wheat beer.** This is a pale-yellow to pale-orange, top-fermented brew made with wheat grain. At first tasting, it may appear bland, but it has a very delicate tart and spicy character that is especially refreshing during the hot summer months. Many wheat beers come with active yeast in the bottle. In Germany, wheat beers are commonly flavored with a lemon slice, a dash of raspberry syrup or some other flavoring. They should be served gently chilled.

□ **Pilsner.** This beer received its name from the city of its origin: Pilsen, Czechoslovakia. It was the first bottom-fermented beer, and the original, Pilsner Urquell, is still produced and available in the United States. Pilsners generally have a light body with a color ranging from pale yellow to pale gold and should be highly hopped, giving the beer an agreeable bitter flavor. They should be served gently chilled around 45°F to 50°F. *They should never be iced or served in frosted mugs.*

□ **Vienna.** This is a bottom-fermented beer with a medium body, an amber color and a nice malty flavor. Many of the new domestic craftbrews are of this style; an excellent example is a beer which calls itself by the name of the style. Vienna beers should be served at cellar temperature (55°F).

□ **Ale.** This is a top-fermented beer. It has a medium body, a color ranging from gold/copper to brown and a flavor that is fruity, malty and/or sweetish. Some areas of the United States use the term incorrectly to designate a strongly alcoholic beer. It should be served at cellar temperature or above, according to its body.

□ **Trappiste ale.** This top-fermented beer is a bit more specialized than the others mentioned. Only six Belgian Trappiste monasteries are licensed to brew these ales. Chimay Ale, one of the best examples of the style, is a very potent beer with a warming ciderlike quality.

□ **Stout.** This creamy, top-fermented beer gets its dark color and rich flavor from the heavily roasted malts which are used in the brewing. Stouts vary from the hearty satisfying Guinness Extra Stout to a tasty domestic, Grant's Russian Imperial Stout, which is brewed with a dash of honey. Room temperature best expresses the full flavor of these "chewy" beers.

The law is not the only consideration. Brewing is a costly and involved venture. Contrary to Prohibition lore, good beer cannot be brewed in a bathtub, although dairy equipment has been used with limited success. A decent brewing system will cost anywhere from $65,000 to $140,000. This price tag does not even include site preparation, which tacks another $10,000 to $25,000 onto the price.

Finally and more importantly, there can be no brewpub without a skillful brewer and a good recipe. Brewing is both a science and a craft that requires great expertise. In Europe, brewers practice their trade for five years before reaching the masterbrewer level, and even homebrewers mix batch after batch before they develop any control over the process. Today's brewers are a very select and exclusive bunch. Many begin as homebrewers who have supplemented their experience with formal instruction. The University of California-Davis, for example, provides brewing classes for the homebrewer as well as a full-fledged bachelor's degree in fermentation studies. There is also the Chicago-based J.E. Siebel Sons, which for 116 years has presented seminars on brewing technology at the novice and masterbrewer levels. Not surprisingly, both these educational sources report increased interest in their programs, although brewers still are, and probably will remain, a small and select group.

In sum

The status of beer today closely parallels that of wine in the 1970s. At that time, most people knew very little about wine and drank only the most common varieties and the most popular brands; or, if they were connoisseurs, they drank imports exclusively. It did not take long for the domestic wine industry and America's taste for wine to mature, and all indications are that the same scenario is likely to be replayed with beer. ❑

Note: *To satisfy any further thirst for information on how to design and market a beer list, be sure to attend Michael Jackson's program on beer at the 1987 National Restaurant Association Show in Chicago, IL., May 16–20.*

OFF-PEAK BUSINESS CAN BE ON-THE-MONEY

by Kathy Boyle

All restaurants face the challenge of slow periods, those times when customer traffic seems to trickle in. To attract a more steady customer stream, some restaurateurs are promoting business during the off-peak hours following the traditional lunch and dinner peaks. Operators are doing more than just increasing operating hours, however. They have found that what is needed is a marketing plan which includes an appealing menu and atmosphere or a location that naturally invites customers in during off-peak periods and a welcoming, well-trained staff.

Location

Operators agree that the single greatest factor contributing to the success of an off-peak business is location. Locations which naturally attract customers during unusual times of the day include those with proximity to shopping centers, theaters, office districts and busy downtowns. Often, such areas can provide enough customer flow during the afternoon and late evening to merit staying open.

Richard and Reiss, originally a cafeteria-style takeout restaurant, now a 50-seat, sit-down eatery in the affluent Detroit suburb of Birmingham, MI, remains open from 7:30 a.m. to 9:00 p.m. in order to capture the business of passing shoppers. Owner Bill Roberts could not have asked for a more perfect setting to expand business into the late afternoon. His restaurant is located in the heart of the bustling suburb's theater, shopping, restaurant and office district. Roberts admits, "My afternoon business has developed more by location than by anything else," pointing to the shoppers and office workers who take a break about 3:00 p.m.

Another operator who is making a success of a busy uptown location is Barry Wine of New York, NY, owner of the recently opened (summer 1986) Casual Quilted Giraffe, a 90-seat, cafe version of his prestigious restaurant, the Quilted Giraffe. The cafe is open from 11:30 a.m. until 11:30 p.m. According to Wine, the concept was two years in planning, "and, based on our own research, we began to see a shift in operating hours," he says. "In New York, of course, we have an international crowd that likes to eat later. We have shoppers, and often we have other restaurateurs, who have finished up at their own restaurants and want to get something to eat." In addition, Wine sees work styles changing. He has noted that some businesspeople prefer to hold meetings at 3:00 p.m. when things are calmer in the restaurant.

This is not the case in every city, of course. As John Buchanan, director of operations for the 27 Lettuce Entertain You Enterprises, Inc. restaurants in Chicago, IL, cautions, "Downtown office areas can be tricky. We have generally found downtown businesses in Chicago to exercise pretty tight control over employee lunch times, with most of our business tightly contained between 11:00 a.m. and 2:00 p.m. After that, there are mostly tourists and shoppers who specifically avoid the lunch rush. But these customers certainly don't mean we are crowded."

A restaurant doesn't have to be located downtown, however, to build a lucrative off-peak business. For instance, the new 1,000-seat Potomac restaurant in Washington, DC, has a breathtaking view of the Potomac River, which makes it a destination spot all day long.

Menu design

Aside from a good location, operators agree that an adaptable menu is essential to capture off-peak business. Such a menu should include dishes that cater to the consumer trend to eat lighter, smaller meals, such as appetizers, along with a few hearty offerings and luscious dessert selections. In addition to encouraging a sampling of foods, many successful operations also indulge the public's current fascination with coffees, teas, sparkling waters and ciders—beverages which all seem to do well during these relaxed times of the day. "I've seen twice as many people come in the afternoon for a cappuccino, espresso and muffin than I did a couple of years ago," says Roberts of Richard and Reiss. The restaurant also serves homemade soups, salads—from a potato, tuna and artichoke salad to marinated mushrooms—and such entrees as seafood pasta. Ports and sherries are popular in the afternoon as well.

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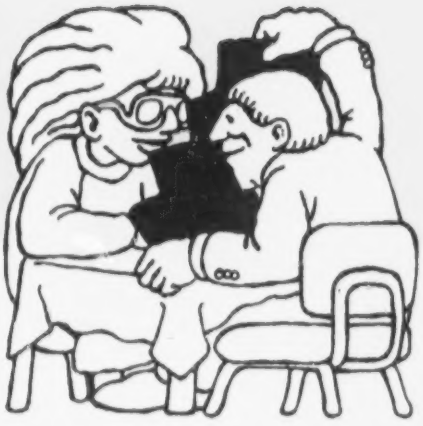


At the Casual Quilted Giraffe, the menu does not change throughout the day. "The cafe's success revolves around the interesting selections of food on the menu and the grazing trend," says Wine. "There is no pressure to eat a full meal, and all menu items can be ordered a la carte," notes Wine. "The dishes work well at all times of the day. There are a lot of side dishes and a lot of appetizers, and we encourage informality by offering to split large plates."

Bill Gillespie, co-owner of The Shore Bird (160 seats) in Princeton-by-the-Sea, CA, has also found that the way to succeed with off-peak business is to cater to the trend to eat informally. The Shore Bird has been exceptionally successful with its new seafood cafe operation, which has been converted from its former bar. Its all-day menu attracts those who, according to Gillespie, "want to come in and go through the ritual of a full meal. They can mix and match menu items and spend as much as they want. But the key doesn't seem to be the price as much as convenience and informality," notes Gillespie, "since they often end up spending as much as if they had eaten a traditional meal."

At the recently opened (September 1986) Cafe Beaux Arts, positioned as a freestanding restaurant within the Omni Georgetown Hotel in Washington, DC, there is one all-day menu of American and European selections, served from 11:00 a.m. until 1:00 a.m. The menu for the 180-seat establishment offers great variety—from create-your-own pizzas and individually brewed coffees to hors d'oeuvres, soups, light salads, sandwiches, pastas and seven or eight cafe specialties—grilled or spit-roasted items. In addition, there are extensive dessert selections that change frequently.

"Our main objective was to offer the customer a choice," explains Donna Gaudreau, the hotel's food and beverage director. "We want our customers to eat what they want to eat, no matter what the time of day." According to Gaudreau, the late-night business has been exceptional. "I was surprised by the volume of late-dinner business we do. We really get started with dinners at about 8:30 p.m. and go heavy until midnight."

Some restaurants have specialized menus for diners who come in after the lunch service. "When we started with our small, 35-seat restaurant five years ago," recalls Mary Sue Milliken, co-owner and chef of the City Restaurant in Los Angeles, CA, "our concept was to serve coffees, espressos, pastries and good food for the neighborhood—all day and late into the evening. We never closed, because it just didn't fit."

At its new location, the City Restaurant, now 120-seats, continues some of the same philosophy. A limited menu of eight to 10 items is available for what Milliken calls the "3:00 p.m. to 5:00 p.m. snack." "We try to accommodate those who want to eat light, those who didn't eat lunch for one reason or another and those who are famished at 3:00 p.m," says Milliken. "We try to cater to a variety of tastes," she adds, "by offering some sandwiches, marinated fish, fresh vegetables, pate, goat cheese with avocado, and oysters with red wine vinegar and shallots."

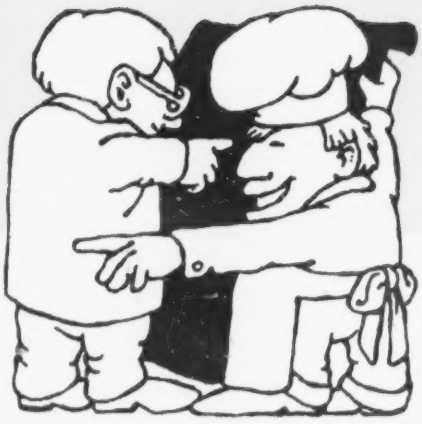
Like other off-peak operators, Milliken points to the popularity of pastries in both late afternoon and late evening. "Our extensive pastry menu seems to bring people in," she says. Office groups celebrate birthdays with pastries in the afternoon, and late-night customers come in for dessert.

This tendency is also the impetus behind the growing popularity of afternoon tea at many hotel restaurants or their adjoining lounge areas.

Tea at the St. Regis Hotel in Detroit, MI, is served from a silver tray on a tableside cart. "We have little finger sandwiches, such as watercress and cucumber; scones served with freshly whipped heavy cream and strawberry preserves; and little pastries, such as brandy snaps with fruit; and 10 different teas," says general manager Michael Kahler. Full tea service is $6.00 per person, which includes tea with four sandwiches, one scone and one pastry. The St. Regis promotes the tea with a separate menu.

Inviting atmosphere

Promoting an inviting atmosphere, one that enhances a casual menu, is also a key factor in building off-peak business. At The Shore Bird, for example, its informal menu is complemented by a cozy fireplace and a recently added



sunporch. The sunporch can be seen from the street and practically draws customers in for a light snack. The patio at the City Restaurant provides the same kind of invitation.

Developing an atmosphere conducive for off-peak business does not, however, mean that a restaurant has to maintain the same look all day. Some restaurants, such as Richard and Reiss, have found that subtle changes, such as adding tablecloths before dinner service, can actually help overall business. "Customers then realize we serve dinner as well," explains Roberts. "Some stay on, while others return for dinner on another occasion." Roberts does note that it is important that changes in a restaurant's atmosphere be made quickly to avoid jarring customers.

Kitchen design

Staying open continuously requires some adjustments in the kitchen. At the Casual Quilted Giraffe, the kitchen is more complex than at the Quilted Giraffe. Wine explains: "Since we have ongoing preparation at the Casual Quilted Giraffe, we need to have a larger kitchen. In most kitchens there is a back line for preparation, which is used for serving after the meal is prepped. Then, after 2:00 p.m., it can be used again for dinner preparation. The same counter serves for both meals. However, in an all-day-menu type of kitchen, you need two counters."

There are other adjustments that can make the back of the house more efficient. "One of the reasons we went to one menu is because it is easier for the kitchen," explains Gaudreau of Cafe Beaux Arts. "We don't have as much inventory. For example, other restaurants serve certain items at lunch, which they don't serve at dinner, and must store the ingredients in between. It is so much easier this way, and you don't have a problem with different cooks for two separate menus."

New approach to service

Staffing and customer service can be a challenge in the all-day restaurant. "It is not easy," says Milliken of the City Restaurant. "It is an effort, and there is not a relaxing time in the afternoon." Notes Wine of the Casual Quilted Giraffe, "We have basically two shifts, but some people come to work at 9:00 a.m., some at 11:00 a.m., some at noon and some at 3:00 p.m. Serving in an all-day operation requires a different kind of thinking. Usually in a restaurant between three and six in the afternoon, the waitstaff is winding down. Someone is counting cash, and others are sitting for a few minutes, relaxing before the dinner hour. Here we can't do that. It is a different mind-set. Employees have to be pushed by management to understand that. We cannot operate with a surge of energy at lunch and a lapse after 3:00 p.m. There is no downtime, and employees have to realize that."

Buchanan at Lettuce Entertain You Enterprises could not agree more. "Operationally, we want to give the customer who comes in at 3:00 p.m. the same high standard of service that we give the one who comes in at noon.

We want to seat them as quickly and serve them as rapidly. To do this, we are really careful to avoid the 'off' mentality which is very typical in a restaurant during these hours." To get the point across to employees is the job of management, adds Buchanan. "We simply have to communicate to staff that maintaining the same high-quality service into the afternoon is important to us," he says. "They will do it for us once they realize it is important. But, if management is not committed, employees will not be committed either. Psychologically, some employees don't like to work when there is no rush, but we make sure we cut the staffing enough during the slow time to make it worthwhile financially for the employees who stay."

To provide that on-the-spot service, Milliken of the City Restaurant added one extra person, who comes in for the afternoon. "From three to five we are not full, but we have people on the patio and a few in the bar and restaurant, which keeps this person busy," she says.

In sum

The off-peak business is a small segment, but one which can be profitable. The keys to developing this segment start with a good location with a lot of traffic and a varied menu. It does take some motivating of employees and often some rearranging in the kitchen to manage the extended hours. But, the trouble can be worth it. ❑

Association officers unveil foodservice forecast to media

National Restaurant Association officers officially released the association's 1987 outlook for the foodservice industry at a New York press conference last month. Chairman of the Board and President G. "Jim" Hasslocher (Frontier Enterprises, San Antonio, TX), Vice President Michael J. Grisanti (Grisanti, Inc., Louisville, KY) and Treasurer Jim L. Peterson (Whataburger, Inc., Corpus Christi, TX) discussed the forecast, emphasizing consumer trends and demographics that are fueling foodservice food and drink sales.

National Restaurant Association President G. "Jim" Hasslocher tells the media that foodservice industry sales will approach $200 billion in 1987.

"To say that the foodservice industry has grown rapidly is an understatement. In the past 15 years, sales have increased fourfold. And, today, as the industry enters a more mature growth phase, we are forecasting sales in 1987 to approach a new milestone—$200 billion," President Hasslocher told the trade and consumer media assembled for the conference.

President Hasslocher and Vice President Grisanti discuss industry trends with Darianne Dennis of *Fortune* magazine.

Hasslocher cautioned, however, that foodservice industry sales are closely tied to the welfare of the United States economy—in particular, to the amount of discretionary income available to consumers and to consumer confidence in the economy. These factors are less than certain pending implementation of the Tax Reform Act.

Hasslocher also identified potentially dangerous legislation that could undermine industry growth in 1987, such as increases in the minimum wage; mandatory "on-package" labeling; mandated benefits, such as medical and parental leave; and extended health benefits for ex-employees.

Vice President Grisanti predicted that in 1987, consumers will be more selective when dining out. He said they will patronize those restaurants that offer quality food and service at a reasonable price. He also anticipated that costs will increase for operators in 1987, but that competition will keep menu price advances down.

National Restaurant Association Board Members Jerry Berns (21 Club, Inc., New York, NY) and Mike O'Neal (The Ginger Man Group, New York, NY) listen to the association's latest industry forecast.

Treasurer Jim Peterson told attendees that consumer demand for convenience, variety, quality and value will shape restaurant trends next year and that demographic subgroups, such as working mothers and non-traditional households, will cause a proliferation of takeout, delivery and other convenience-oriented foodservice services.

Taking a look at industry developments, Peterson predicted that operators will continue to meet the consumer need for healthy and nutritious food by emphasizing more fresh foods and freshly prepared foods and by promoting non-alcoholic beverage lines.

Media attendees at the press conference included representatives of *Fortune* magazine, CBS Radio, *Nation's Restaurant News, Restaurants and Institutions* and *Restaurant Management.*

—Dorothy Dee

The connection between cancer and nutrition grows stronger

As consumers become more knowledgeable about the connection between nutrition and cancer, they are likely to pay more attention to their diets—both at home and in restaurants.

Because cancer is the second leading cause of death in the United States (after heart disease), affecting one of four Americans, diets designed to reduce the risk of cancer are receiving increased attention. Although research connecting diet and heart disease is not new, the relationship between diet and cancer is recent.

It is now estimated that 35 percent of all cancers are related to diet. Although the exact mechanisms are not completely understood, it is clear that some diets and food components, such as a high-fat diet or use of nitrates, can potentially increase the risk of developing cancer while others, such as a low-fat diet or consumption of vitamins A and C, may reduce the risk of cancer.

To date, most of the conclusions about diet and cancer have been drawn from studies of population groups. This means a positive association has been observed between the diet of an affluent society and the incidence of breast, colon and uterine cancers, but scientists have been unable to be definitive about a cause-and-effect relationship. The National Academy of Science Committee on Diet, Nutrition and Cancer described the current state of knowledge as an interim period, comparing it to the state of knowledge about cigarette smoking 20 years ago. In the meantime, the academy recommends that the public follows basic dietary guidelines based on sound nutritional principles. The recommendations are summarized below.

□ **Eat more fresh fruits and vegetables and whole grains.** This advice incorporates several important findings. Fruits, vegetables and grains are high in fiber, a food component that may protect against cancer, especially colon cancer. Vitamins A and C also have been identified as cancer protectors, particularly against cancers of the esophagus, larynx, lungs and stomach. Using vitamin supplements for cancer prevention is not recommended, and megadoses are ill-advised because of their toxic potential. Instead, citrus fruits, strawberries, tomatoes, peppers, dark green and deep yellow/orange fruits and vegetables, such as squash, carrots and peaches, and dark green leafy vegetables, such as kale, spinach and lettuce, are being promoted for their vitamin C and beta-carotene content. (Beta-carotene is a substance that is converted to vitamin A in the body.)

Cruciferous vegetables, such as Brussels sprouts, cabbage, cauliflower, broccoli, mustard greens, rutabagas and turnips, are also beneficial because their nonnutritive substances may inhibit colon cancer.

□ **Reduce fat consumption.** Although fat itself is not considered to be a carcinogen, a high-fat diet seems to alter the normal operation of body systems, which may cause cancer or speed up tumor formation. In fact, the evidence supporting a diet-cancer relationship is stronger for fat than for any other food component.

Americans derive about 40 percent of their calories from fats. A reduction to a 30-percent level is recommended, not only to protect against cancer but also to prevent heart disease. This amount translates into the equivalent of six to seven pats or teaspoons of butter, margarine or oil per 1,000 calories.

□ **Eat salt-cured, smoked and charcoal-broiled foods in moderation.** Although these foods are not a great threat to Americans, the incidence rate of stomach and esophageal cancers is high in countries, such as Iceland, China and Japan, where foods smoked and salt-cured by traditional methods are popular. The liquid smoking process used by United States manufacturers seems to be less harmful. Moderation is also the rule for foods cooked over an open flame. It helps to cook over a low flame, precook to reduce the amount of time on the grill or avoid charring grilled foods.

FRESH SEAFOOD WITH TOMATOES, BASIL AND GARLIC CROUTONS

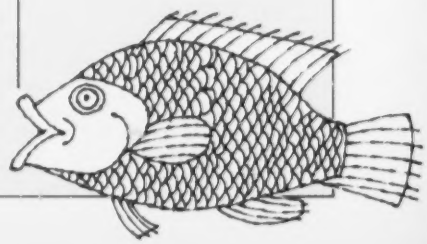
Serves 6

Ingredients:
16 baby clams
8 mussels
12 peeled prawns
12 oz. fresh fish, cubed (halibut, sea bass, etc.)
12 oz. scallops
¾ cup seasoned fish stock or clam juice
½ cup dry white wine
4 cups finely pureed tomato pulp
1 head garlic, roasted, peeled and pureed
1 cup julienned vegetables (carrots, celery, leeks)
1 baguette of French bread
2 tspn. fresh basil, chopped (whole leaves for decoration)
salt and white pepper

Preparation:
To roast garlic, bake one whole head of garlic at 350°F for 10 minutes. Peel and puree. To prepare French bread, cut one baguette into 24 slices, approximately one-third inch thick. Toast lightly in low oven. In a skillet, heat wine and fish stock, and add ½ tspn. roasted garlic puree, julienned vegetables, clams and mussels. Cover and steam for 3 minutes. Add remaining fish, chopped basil, tomatoes and a little white pepper. Cover and simmer for 3 minutes. Add salt to taste. Spread the remaining garlic on the dry, toasted French bread.

To serve:
Place fish mixture on each of the 6 plates. Place 4 slices of bread on top of each fish portion. Decorate the dish with fresh basil leaves.

—Emiles, San Jose, CA; Recipes for Living—California Style, American Cancer Society, California Division



□ **Drink alcohol in moderation.** Although there is limited evidence implicating alcohol intake with cancer, when large quantities of alcohol intake are combined with smoking, the risk of cancers of the mouth, larynx, esophagus and respiratory tract is increased. The guidelines advise that no more than two alcoholic drinks should be consumed per day.

□ **Avoid moldy nuts, seeds and grains.** Aflatoxins, naturally occurring toxic substances resulting from molds, have been correlated with a high incidence of liver cancer in some countries. The extent of aflatoxin contamination in the United States is low, occurring primarily in peanuts, corn and cottonseed that develop mold during harvesting or storage. It is best to avoid any nuts, seeds or grains that appear moldy.

In conclusion

The results of ongoing research should yield more definitive information about the association between nutrition and cancer. Until then, the public will continue to receive messages based on the interim guidelines, which may result in even more interest in fresh fruits and vegetables, whole grains, fat reduction and moderation of alcohol intake.

For more information about the relationship between diet and cancer, contact The American Cancer Society, 90 Park Ave., New York, NY 10016, (212) 599-8200; The American Institute for Cancer Research, 500 N. Washington St., Suite 100, Falls Church, VA 22046, (703) 237-0159; National Cancer Institute, 9000 Rockville Pike, Bethesda, MD 20205–4200, (800) 4-CANCER.

—Claire Regan, R.D.

Fisher's Law #79

Executive exercises

In today's fast-paced business world, with its accompanying travel schedules and splendiferous caloric encounters, there is often little time or opportunity to engage in physical exercise to stay in or reach top physical condition. Some of us delude ourselves into believing that weekly excursions to a grassy plain, pockmarked with occasional holes, where we swing a stick 72 to 120 times (depending) at a little sphere and follow it by riding in an electric cart, are exercise, but that may be "stretching" things a bit. Here are some suggestions for exercising while at work, in an airplane or in another business situation.

1. Place both hands in front of you, "handcuff-style." Curl fingers around a wood pencil, grasping firmly. Quickly and sharply, snap hands either upward or downward to make the tops or bottoms of your wrists touch. Do this at least 24 times per day. **Note:** You will go through two dozen pencils, but your employees will think you are a prolific writing genius.

2. Sit up straight in your chair with your hands on your hips. Quickly move the upper half of your torso forward and down. Repeat several times. **Note:** Be sure your chair is away from your desk. Otherwise, you will only do this once, and then you will look like you are napping on your desk.

3. Touch your chin to your chest; then, crisply move your head straight up to look at the ceiling directly above you. Return your head to its normal forward position. Turn your head to the left and touch your chin to your left shoulder. Then, quickly swivel your head to the right and touch your chin to your right shoulder. Repeat all movements as rapidly as possible. **Note:** You can do this exercise in front of your employees when they ask you to approve a major project.

4. Rotate your left shoulder up, down and around. Repeat with your right shoulder. Alternate. **Note:** Many people practice this exercise at company parties.

5. Move your right cheek up and simultaneously move your right eyelid down over your right eye. Repeat with your left cheek and left eyelid. Alternate. **Note:** This exercise is particularly effective in public spaces, such as hallways, elevators and waiting rooms, where the general public congregates.

6. Place your hands on your desk with your fingers open but slightly curled. Sequentially raise and lower first the left little finger, then the ring finger, the middle finger, the index finger and the thumb. Repeat with the right hand. Reverse the sequence. **Note:** People who have recently purchased home computers or typewriters have been known to practice this exercise. It is especially effective when you want to give employees the impression that you are carefully and deliberately weighing everything they are saying to you.

7. Bring your shoulders up as close to your ears as possible. Then, drop them. Repeat movements in rapid sequence. **Note:** This exercise can be practiced when employees approach you for a decision on an important matter.

8. Furrow brow upward, then relax. Repeat several times. Depending on the tightness of your skin and your muscle control, this exercise may cause your ears to wiggle. **Note:** This exercise can be practiced when delivering a major speech.

9. Place heel firmly on the floor. Rapidly raise and lower the front portion of the foot. A "tapping" noise may result. **Note:** This exercise can be practiced while you are waiting for your employees to come into a meeting.

10. Slide your chair away from your desk a short distance. Slightly angle the chair to the left or right corner of your desk. Swing the leg nearest the desk up on top of the corner of the desk. Then, follow by swinging the remaining leg over the first leg. Repeat several times a day. **Note:** This exercise can be practiced when you meet with business guests to illustrate general office demeanor and your personal humility.

There are a number of other exercises of this sort that executives can and do practice, but these are enough for now.

Fisher's Law #79: If you practice these exercises, your employees will be exercised as well.

Foreign travel to the U.S. is on the upswing

Since 1981, when the volume of foreign visitors to the United States peaked at 23.6 million, America has witnessed a gradual shrinking of inbound foreign visitors. The strength of the dollar against foreign currencies was largely to blame for the drop. However, 1986 marked a turning point as the dollar weakened in foreign markets, and world economic conditions stabilized. Last year, the United States welcomed 21.5 million visitors, a 2.4-percent increase over the prior year. According to the U.S. Travel and Tourism Administration (USTTA), 1987 promises to be an even better year. USTTA projects an influx of 22.2 million foreign travelers, up a solid 3.3 percent over 1986.

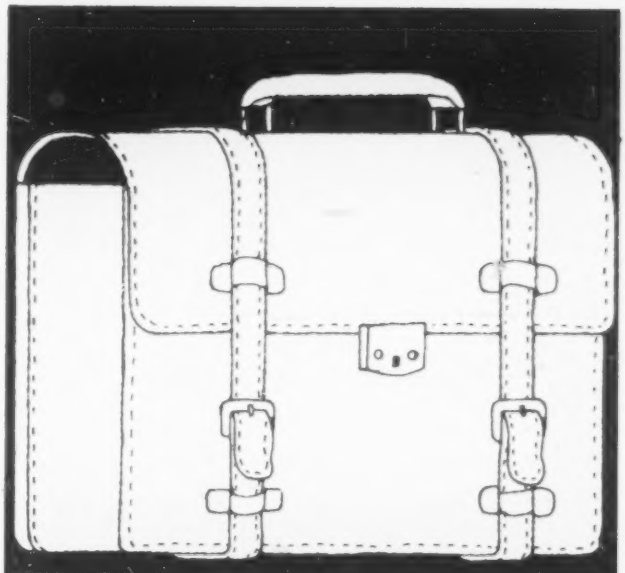
Most visitors come from Canada

The majority of foreign visitors to the United States come from our North American neighbors. More than 60 percent of all visitors in 1986 came from Mexico and Canada, with Canada accounting for the largest share—51 percent. Nearly 11.0 million Canadians traveled to the United States last year, and 11.2 million are expected this year. Most Canadians reportedly come to the United States mainly in search of a unique vacation. Results from a 1984 USTTA survey reveal Canadians see the United States as a place to shop, visit theaters and taste the excitement of urban living. In contrast, they perceive their own country as a place for relaxing, family vacations and for exploring rural areas.

Most Canadians—64 percent—travel by car to this country. Another 28 percent come by plane. More than one-third of all travel from Canada to the United States occurs during June, July and August.

While the number of Canadians visiting the United States has remained relatively stable throughout the first part of the decade, visits by our southern neighbors have been erratic. In 1981, 3.6 million Mexicans visited the United States. The number dropped to 1.9 million two years later, but last year it climbed to 2.2 million.

Mexican travel has been affected by the country's unsettled economic conditions. The dramatic decline in the price of oil has forced the Mexican government to borrow heavily from international markets. As a result, Mexico has experienced rapid increases in prices and interest rates, and most Mexicans have little money for travel. Consequently, the USTTA is forecasting another decline in the number of Mexican visitors in 1987. Only 1.9 million Mexicans are expected to travel to the United States this year—half the number that came in 1981.

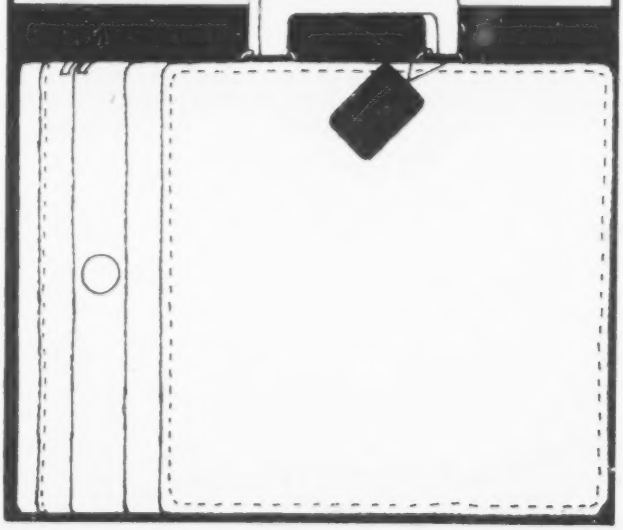


Total foreign arrivals in the United States

The number of foreign visitors to America is growing

Year	Number of arrivals (millions)	Percent change
1980	22.3	—
1981	23.6	5.8%
1982	21.8	(7.6)
1983	21.7	(0.5)
1984	21.0	(3.2)
1985	21.0	nc*
1986P	21.5	2.4
1987P	22.2	3.3

P projected
** no change*
Source: U.S. Travel and Tourism Administration, U.S. Department of Commerce, October 1986



More travelers from overseas

The declining value of the United States dollar and pent-up demand are contributing to a rise in the number of overseas visitors to this country. Overseas travelers account for about 40 percent of the total inbound market today, compared to 18 percent in 1970.

A USTTA survey of overseas airline passengers reveals most visitors to the United States come for a vacation or holiday (46 percent). However, a substantial 35 percent travel to this country for business.

Visitors, in general, travel by themselves (41 percent) or in a family group (39 percent) and spend, on average, 22 nights in the United States. Managers or professionals make up the bulk of the United States inbound overseas travel market (55 percent), with the average family income of foreign visitors being $36,655. More than 80 percent of overseas travelers to the United States are repeat visitors, which means they have visited this country on at least one other occasion.

About 16 percent of all foreign visitors were from Europe last year. The United Kingdom, West Germany and France are prime tourist-generating countries. Some 1.1 million British, 620,000 West Germans and 395,000 French citizens traveled to the United States last year. Scenic places are the main draw for all three nationalities, according to a USTTA survey. Interacting with pleasant and interesting people were other factors cited. In addition, travelers from the United Kingdom said they wanted to sample good food, West Germans wanted to head to the beach, and visitors from France expressed an interest in seeing historic sites.

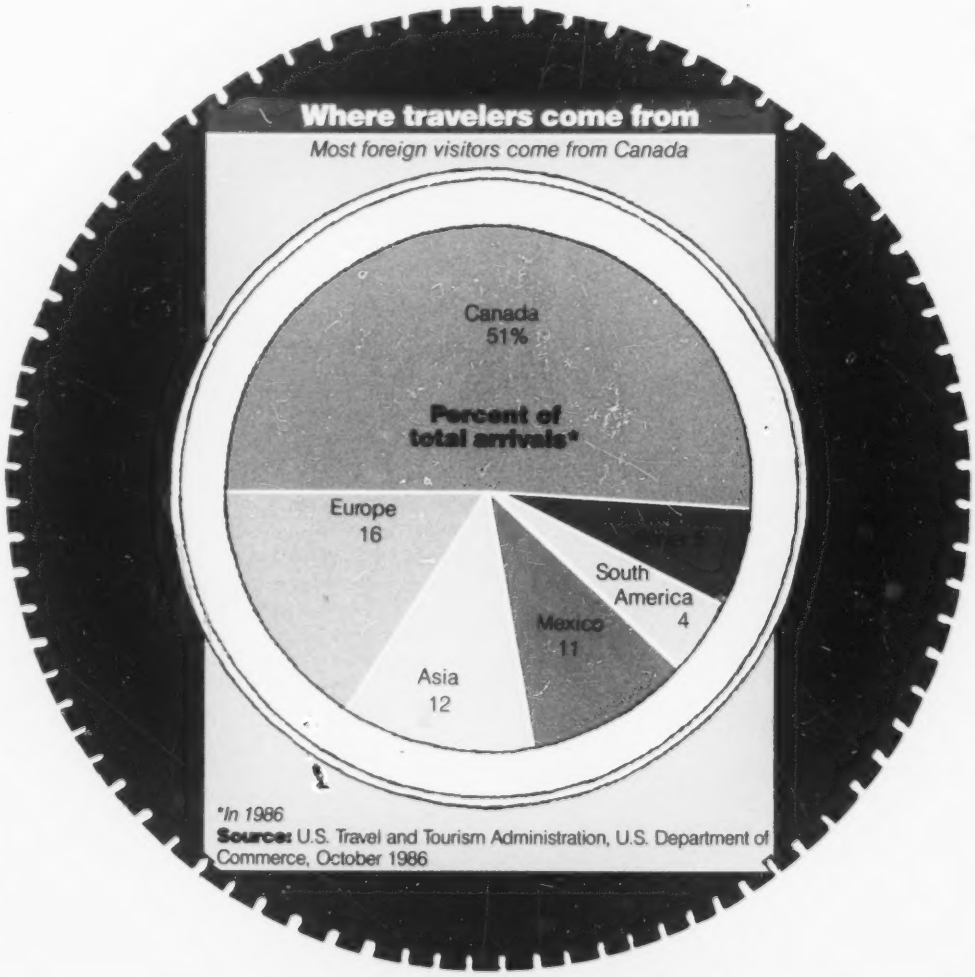
Visits by Asians have increased dramatically in recent years. In 1981, 2.1 million Asians traveled here, and they accounted for about nine percent of the total inbound market. By 1986, Asians captured 12 percent of the market (2.5 million visitors). Japan consistently makes up the largest portion of the inbound market from Asia.

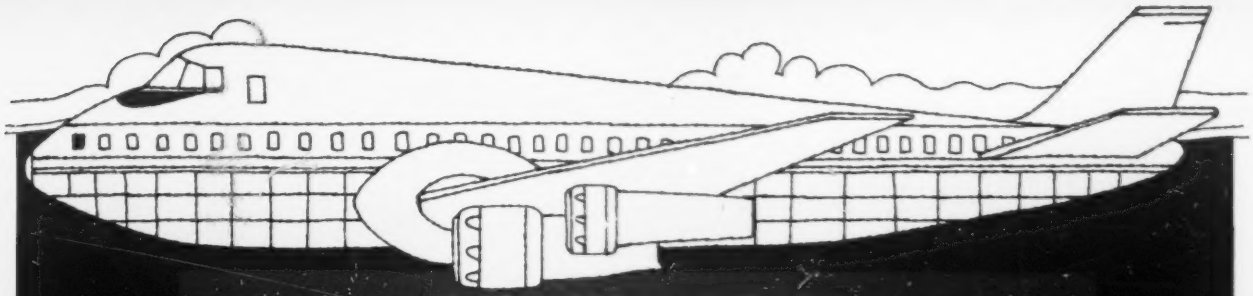
For Japanese, the most popular overseas travel destination is the United States. Three out of 10 overseas trips taken by Japanese travelers were to this country in 1984, according to statistics compiled in *Travel and Leisure's World Travel Overview 1986/87*. This popularity may be due in part to a promotional campaign being waged by the Japanese government to ease trade problems between the two nations. This effort, in combination with the Japanese love of travel, helped generate approximately $1.4 billion dollars in travel receipts for the United States in 1985.

Because the United States offers vacation options that fit almost any Japanese budget, from expensive tours of the contiguous 48 states to low-cost trips to Guam, it seems unlikely that the Japanese will lose their enthusiasm for travel to this country. In fact, the USTTA is forecasting that the number of inbound Japanese tourists will reach 1.7 million in 1987. This is a 10-percent increase over 1986 and represents the largest gain for any single country.

Foreign visitors generate jobs and income

Foreign visitors make a sizeable contribution to our economy. Their spending generates tax revenues as well as employment and wage and salary income. According to the most recent





Foreign visitor spending by regions of the country in 1983

The Pacific states captured the greatest amount of foreign tourist expenditures

Region	Total expenditures (in millions)	Contributions to income payroll (in millions)	Employment
New England	$ 524	$ 119.2	14,400
Middle Atlantic	1,920	487.2	44,500
Southeast	3,497	803.0	83,600
East North Central	585	140.3	16,600
West North Central	221	52.5	6,700
West South Central	1,300	260.3	26,900
Mountain	949	213.0	22,800
Pacific	4,114	990.6	97,100
Total*	**$13,110**	**$3,066.1**	**312,800**

**Total does not include expenditures in the U.S. territories*

Source: *Impact of Foreign Visitors on State Economics, 1983*, U.S. Travel Data Center, U.S. Travel and Tourism Administration; U.S. Department of Commerce, April 1985

in-depth analysis of foreign-tourist expenditure data by the USTTA, the 21.7 million foreign visitors who traveled in the United States in 1983 spent $13.8 billion dollars. It is estimated that every dollar spent by a foreign tourist generated 24 cents in payroll income and 12 cents in tax revenues. The accompanying tables demonstrate how foreign-visitor spending affected travel-related industries and how much payroll income and employment was generated in each of the census regions.

As shown, foreign travelers spend the most money in the Pacific region of the country. About one-third of total foreign-traveler spending occurs in the Pacific states, where it generates nearly $991.0 million in payroll income and 97,100 jobs. California is the leading foreign-tourism state in this region. Visitor spending topped $2.6 billion in California in 1983.

How foreign visitor spending affected travel-related industries in 1983

Foreign visitors spent 19 percent of their total travel budgets on food and beverages

Industry	Total expenditures (in millions)	Payroll income (in millions)	Employment
Food and beverages	$ 2,631.7	$ 650.0	95,900
Transportation*	2,059.2	438.9	17,400
Lodging	3,814.0	1,022.9	104,300
Entertainment	1,526.4	461.2	42,700
Incidentals	3,740.1	493.1	49,100**
Total	**$13,772.0**	**$3,066.1**	**312,800**

**Includes both public and auto transportation*

***Indicates employment generated in general retail trade*

Source: *Impact of Foreign Visitors on State Economies, 1983*, U.S. Travel Data Center, U.S. Travel and Tourism Administration; U.S. Department of Commerce, April 1985

The Southeast region also enjoys substantial benefits from foreign tourism. Spending totaled $3.5 billion in the Southeast in 1983. Florida led the way, contributing $2.7 billion to the region's total.

Foreign travelers spent $1.9 billion in the Middle Atlantic states in 1983. New York outdistanced other states in the region, with foreign-tourist spending totaling $1.6 billion. The West North Central region received the smallest boost from foreign tourism.

Foodservice benefits from foreign tourism

The lodging industry captured the greatest share of foreign-visitor spending in 1983—28 percent or $3.8 million. More than 104,000 jobs were created in the lodging industry that year as a result of foreign tourism, and $1.0 billion in payroll income was generated.

Incidentals, such as gifts and souvenirs, were the second largest expenditure category. Although visitors spent more than $3.7 billion dollars on miscellaneous purchases, these expenditures created just 49,100 jobs and $493.1 million in wage-and-salary income in the general retail trade sector.

The foodservice industry was third in revenue and second only to lodging in terms of number of jobs and amount of payroll income generated by foreign visitors. Foreign visitors spent more than $2.6 billion on food and beverages at restaurants in 1983. These expenditures created nearly 96,000 foodservice jobs and $650.0 million in wage-and-salary income.

Opportunities exist

Conditions which spurred an increase in foreign tourism in the United States in 1986, namely a weaker dollar and improved world economic conditions, are expected to prevail in 1987. Consequently, opportunities exist for many restaurateurs, especially those in prime foreign-tourism areas, to capture more of the visitors' food dollars. These visitors want the chance to "taste" American culture, and restaurants are an integral part of that experience.

—Kate Conroy

Serving the foreign visitor

Here are some tips for serving foreign patrons.

1. Train foodservice personnel to be responsive, patient and courteous in all their dealings with guests from other countries.

2. Put foreign guests at ease by addressing them in their native tongues, even if only to welcome them. Encourage customer-contact personnel to master key phrases in foreign languages or single out employees who are fluent in another language to work directly with visitors.

3. Provide waitstaff with menu translations or post menus printed in several languages to facilitate the ordering process. Remind employees to be willing to describe menu items to guests unfamiliar with American cuisine.

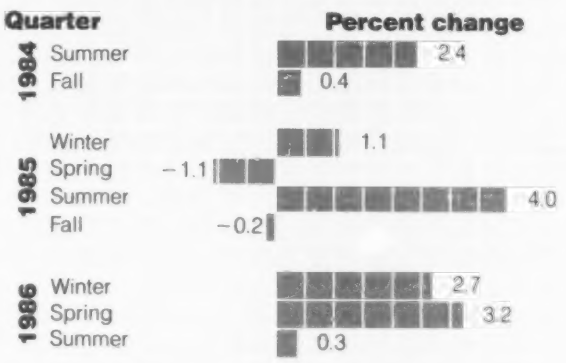
4. Keep conversion charts ready to convert dollars to foreign currencies so visitors will know how much they are paying.

5. Identify facilities, such as rest rooms and telephones, with symbols as well as words to help bridge language barriers.

June–July–August
CREST Report

Percent change in quarterly traffic
summer 1984–summer 1986

Summer quarter customer counts posted the smallest gain so far this year



Note: Percent change is from same period in the prior year.
Source: CREST *Household Report*, GDR/CREST Enterprises

Small gain in summer quarter traffic

Customer counts at the nation's restaurants edged up a slight 0.3 percent during the 1986 June–July–August period over the same time period in 1985. This is well below the 2.7-percent and 3.2-percent gains registered, respectively, during the previous winter and spring quarters. The weak showing is due in part to strength in consumer spending for durable goods, especially automobiles, which has left consumers with less dollars to spend for restaurant meals.

Industry summary

□ **Customer traffic** rose 0.3 percent in the summer of 1986. Customer counts at breakfast slipped 2.4 percent, but traffic was up at the other two meal periods. Lunch posted a slight 0.1-percent increase in traffic, and dinner recorded the strongest performance with customer counts up 2.2 percent.

□ **Sales** at all restaurants advanced 2.6 percent in spite of lower customer counts. Lunch and dinner sales rose 3.2 percent and 3.3 percent, respectively, but breakfast suffered a 6.8-percent decline.

□ **Visit frequency,** the number of visits to restaurants by at least one household member, dropped 2.9 percent. However, penetration, the total number of households eating out, edged up 0.4 percent.

□ **Average check size** rose 2.1 percent from $3.31 in the summer quarter of 1985 to $3.38 in 1986. This increase follows a 0.3-percent decline in average check size during the 1986 spring quarter.

□ **Use of promotions**

posted a strong 7.0-percent increase. Patrons used promotions on 11.1 percent of all occasions in the summer of 1986, up from 10.4 percent one year earlier.

Quickservice restaurants

□ **Customer traffic** at quickservice restaurants rose 2.5 percent during the summer of 1986. Consumer enthusiasm for hot, spicy and unusual foods, combined with wider availability, have helped boost traffic at quickservice ethnic restaurants. Customer counts were up 41.2 percent at Asian quickservice places and 21.2 percent at Mexican restaurants. A very healthy 40.9-percent increase in traffic at barbecue places also contributed to this segment's overall traffic gain.

□ **Sales** increased 7.2 percent at quickservice restaurants in response to increases in customer traffic.

□ **Visit frequency** fell 1.1 percent during the summer 1986 quarter, while penetration inched up 0.3 percent.

□ **Average check size** reached $2.43 last summer, a 4.3-percent increase over the same quarter in 1985.

□ **Promotions** were used on 12.5 percent of all quickservice occasions during the 1986 summer quarter, up from 11.9 percent in 1985.

Midscale and upscale restaurants*

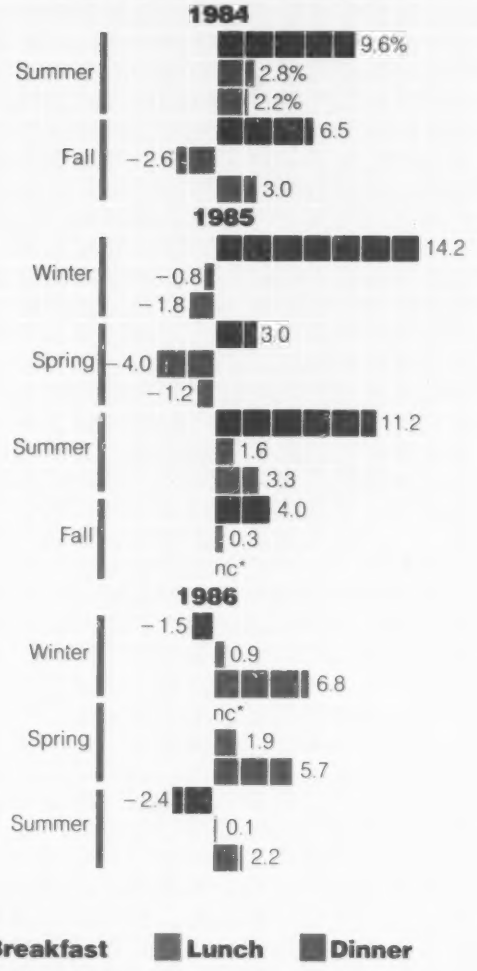
□ **Customer traffic** dropped 4.1 percent at midscale and upscale restaurants. In spite of the overall decline, ethnic restaurants, especially Asian establishments, performed well last summer. Traffic at midscale Asian restaurants rose a substantial 26.8 percent, and counts at upscale Asian places increased 12.6 percent.

□ **Sales** at midscale and upscale restaurants edged down 1.4 percent during the 1986 summer quarter as a result of lower customer counts.

□ **Promotions** were used on 8.4 percent of all occasions at midscale establishments, up 9.1 percent over the summer quarter of the previous year. At upscale restaurants, use of promotions climbed 10.5 percent. During the summer months of 1986, upscale patrons used promotions on 8.8 percent of all occasions.

Percent change in traffic during meal periods

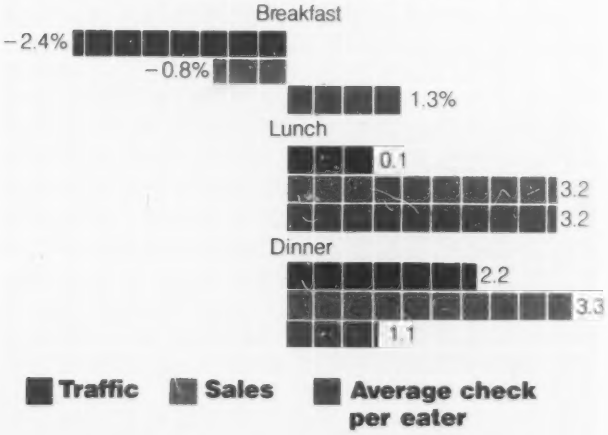
In the summer of 1986, customer counts at breakfast slipped 2.4 percent, but traffic was up at the other two meal periods



*nc: no change
Note: Percent change is from same period in the prior year.
Source: CREST *Household Report*, GDR/CREST Enterprises

Summer quarter performance by meal periods

Dinner posted the biggest gains in both traffic and sales this summer



Note: Percent change is from same period in the prior year.
Source: CREST *Household Report*, GDR/CREST Enterprises

**Several changes have been made in the way CREST processes the diary information that have affected the comparability of 1986 summer data with that of the summer quarter of 1985. A new "Casual Dining" segment has been added to the upscale segment. Included in this category is information for many eateries which were previously classified as midscale specialty or family-style restaurants. Increases or decreases in midscale and upscale traffic, sales and average check size, when compared to the 1985 summer quarter data, may be overstated or understated. To compensate for these changes, sales and traffic data for midscale and upscale segments were combined for this summary.*

1 NEW ENGLAND

Location: Bomoseen, VT
NRA member: Robert A. Steen
Operation: Checkmate Family Restaurant
Profile: Fullservice family restaurant/ice cream stand
In business: 22 years
Seats: 40
Meals served: Lunch, dinner

"We're going through a transition, and business is slow," says **Robert Steen,** owner of the Checkmate Family Restaurant, located near Lake Bomoseen, outside of Rutland. Around Thanksgiving, Steen usually closes the Checkmate for the winter and opens his other restaurant in the Killington ski area. But, after 17 years, he is tired of opening and closing two restaurants, and he is making the Checkmate a year-round operation.

The Checkmate is a combination fast food/fullservice restaurant. Customers have the option of ordering from a walk-up window or eating inside with waitress service.

The menu is varied, and it includes everything from an 85-cent hamburger to a $7.50 steak. Salads, sandwiches and subs are also popular, and Steen has developed a unique batter that he uses on fresh fish and chicken. In general, says the owner, "We're a little country restaurant, and people like whatever we offer them. We see a lot of the same faces every year, so we must be doing something right."

2 MID ATLANTIC

Location: Wellsville, NY
NRA member: James Raptis
Operation: Texas Hot Restaurant
Profile: Fullservice family restaurant
In business: 65 years
Seats: 75
Meals served: Breakfast, lunch, dinner

Things seem to change slowly in Wellsville, NY, a rural community located in the southwest portion of the state, 10 miles from the Pennsylvania border. The small town of 6,000 enjoys a fairly stable economy, and business at the Texas Hot Restaurant, says co-owner **Jim Raptis,** has always been "stagnant but steady."

The Texas Red Hot—a hot dog with meat sauce, mustard and onions—has been the restaurant's signature item since the restaurant was opened in 1921. Raptis has not noticed the hot dog's national resurgence because, he says, "They never went out of style here." He serves about 1,000 Texas Red Hots each day.

Customers begin strolling in at 6:00 a.m. for breakfast. At lunch and dinner, too, many dishes are served hot off the grill, positioned near the front window. Texas Hot Restaurant customers sit at Formica tables in high-backed wooden booths that were installed in 1937.

3 SOUTH ATLANTIC

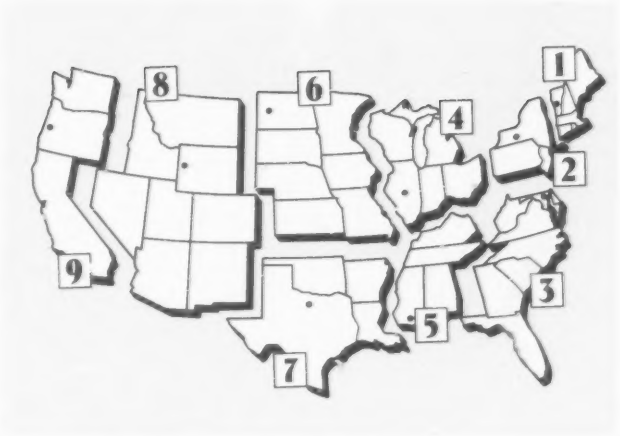
Location: Edgewater, MD
NRA member: Robert Proctor
Operation: The Country Kitchen
Profile: Fullservice family restaurant
In business: 3 years
Seats: 53
Meals served: Breakfast, lunch

Since he took over The Country Kitchen three years ago, restaurant sales have increased each month, says owner **Bob Proctor.** As with many family restaurants, the weekends bring the largest crowds. "It's standing room only," he says.

What is responsible for the success of the 53-seat operation, which is located four miles outside of historic Annapolis? Proctor attributes his restaurant's popularity to two factors: "a decent meal at a reasonable price and the friendliness of the help."

The local people, who come to converse as well as to eat, are particularly fond of Proctor's breakfast specialties, such as chipped beef, waffles and sausage with gravy. Lunch specials include pork chops, *Mom's Casserole* (a secret recipe), clam chowder and, when in season, soft shell crabs, oyster sandwiches, crab cakes and oyster stew.

Is The Country Kitchen being hurt by any local competition? "The only thing hurting us," says Proctor, "is the size of the restaurant." Next year Proctor hopes to open for dinner and expand.



4 EAST NORTH CENTRAL

Location: Illiopolis, IL
NRA member: Scott Cowherd
Operation: Scott's Family Restaurant Incorporated
Profile: Fullservice family restaurant
In business: 9 months
Seats: 64
Meals served: Breakfast, lunch, dinner

"Business is real good," says **Scott Cowherd,** owner of Scott's Family Restaurant in rural Illiopolis, IL (population 13,000). The local economy, which depends on farming, is also doing well.

Location is the key to Cowherd's success. His restaurant, which is situated near a highway between Decatur and Springfield, is 20 miles away from the nearest fast food restaurant, and, according to Cowherd, it is really the only eating establishment around. To take advantage of his lack of competition, Cowherd is about to initiate a pizza delivery service.

Cowherd arrives at his restaurant at 3:30 each morning to begin baking cinnamon rolls, doughnuts, breads and pies. Other house specialties include broasted or pressure-fried chicken and catfish. The local consumers, he says, "aren't concerned about diet foods. They want everything fried. They like greasy foods."

5 EAST SOUTH CENTRAL

Location: Pascagoula, MS
NRA member: Chris Harris, Mary Ann Jones

Operation: Fillets Incorporated—Your Family Restaurant
Profile: Fullservice family restaurant
In business: 3 years
Seats: 145
Meals served: Lunch, dinner

"Business is real good," says **Mary Ann Jones,** co-owner of Fillets. The family-style restaurant is located in Pascagoula, a "little-bitty town" on Highway 90 in south Mississippi. The specialty of the house is Mississippi-style home cooking.

Fillets attracts a lot of regulars, who, says Jones, are a comfortable mix of businessmen and blue collar workers. They eat lots of fried chicken, rock shrimp, oysters and fried catfish. Lunch plates cost less than $4.00, and for $6.99, customers can feast on all-you-can-eat specials.

Fillets is not open for breakfast because, Jones says, she already works too hard at lunch and dinner. Still, she is very happy to be an independent restaurateur. "I'm sure there are 100 advantages to being in a chain," she says. "But I love being in business for myself."

6 WEST NORTH CENTRAL

Location: Dickinson, ND
NRA member: Shelly Schaff
Operation: Dakota Farms Family Restaurant
Profile: Fullservice coffee shop/family restaurant
In business: 3½ years
Seats: 130
Meals served: Breakfast, lunch, dinner

"Things are touch and go" at Dakota Farms Family Restaurant, says manager **Shelly Schaff.** The area's economy has been hit hard by dropping oil prices, and, like some other local restaurants, Dakota Farms is "trying to weather the storm."

The restaurant and coffee shop sells a lot of breakfast items, which are available throughout the day. The *Rancher's Breakfast,* which consists of two eggs and hash browns with green peppers and ham, is especially popular. Daily specials are rotated and include Swiss steak, lasagna, cabbage rolls, chicken-fried steak and an all-you-can-eat ribs offering. All pies, pastries and soups are homemade.

Service is fast at Dakota Farms, but many regulars come to sit and pass the time. "Unfortunately," says Schaff, "you don't make a lot of money off of coffee."

7 WEST SOUTH CENTRAL

Location: Weatherford, TX
NRA member: Dan Clauson
Operation: Jack's Family Restaurant
Profile: Fullservice family restaurant
In business: 36 years
Seats: 95
Meals served: Breakfast, lunch, dinner

"Because of the ripple effect from the state's weaker economy, sales have been a little soft since August," says **Dan Clauson,** owner of Jack's Family Restaurant. Still, because the restaurant is located in a fast-growing bedroom community 20 miles outside of Fort Worth, business is "way up" compared to five years ago.

Jack's specializes in Texas-style country cooking, served in "a relaxed, laid-back atmosphere." Homemade biscuits and hash browns, plate lunches and chicken-fried steaks are customer favorites. Some lighter items, such as a salad bar and turkey plate, have recently made their way onto the menu, and Clauson also has adapted his children's menu to include half-portions for older customers.

Clauson's competition includes a Dairy Queen, a barbecue restaurant and a convenience store that serves meals. Jack's has "managed to stick it out," says Clauson, because he has always used the best ingredients.

What does Clauson believe the future holds for independent, family-style restaurant owners in Texas? "Texans are very tradition-oriented," he says. "Here, the customers know me personally, and I think that makes a difference."

8 MOUNTAIN

Location: Jackson, WY
NRA member: J. Cle Allen, Sherry Allen
Operation: Nellie's Family Restaurant
Profile: Fullservice family restaurant
In business: 4 years
Seats: 168
Meals served: Breakfast, lunch, dinner

"Business is real comparable to last year," says **Cle Allen,** owner of Nellie's Family Restaurant. "We're hoping for it to get better." The restaurant, located south of Yellowstone Park, is in an area that relies heavily upon the tourist trade. Allen believes this summer's expo in Vancouver probably affected traffic as has local competition.

Nellie's 1880 decor was custom-designed for Jackson. The restaurant's interior relies heavily on burgundies and blues, natural woods and chandeliers. The restaurant's recently awarded liquor license, Allen hopes, will give him the flexibility to create a white-tablecloth dining area to complement his family section.

Nellie's, however, is already a restaurant with a great deal of flexibility. "We can be a traditional 'mom and pop,'" says the owner, "or we can be more exotic." As an example of the more exotic side, a recent party menu included alligator tail, rattlesnake, camel, zebra and lion.

Even the everyday menu at Nellie's has a bit of flair. In addition to sandwiches, omelets, chicken and seafood, there are homemade malted Belgian waffles, chicken enchiladas and steaks made from buffalos.

9 PACIFIC

Location: Eugene, OR
NRA member: Willard C. Hein
Operation: Lou and Ev's Cafe Inc.
Profile: Family dinnerhouse
In business: 41 years
Seats: 50
Meals served: Dinner

"Eugene relies heavily on the oil and lumber industries," says **Flo Hein,** of Lou and Ev's, "and they haven't been doing too well." Hein's small, family-run restaurant, however, is quite well established, and business has remained fairly steady.

Lou and Ev's is a small dinnerhouse that specializes in chicken, steaks and seafood served, says Hein, at nominal prices. The atmosphere is casual and informal, and the customers are as varied as the menu. Hein "has watched lots of kids grow up during our 41 years in business."

In addition to "Lou and Ev's Famous Chicken Dinner," Hein is proud of the restaurant's baked ham, prawns, lobster and *Sea and Turf,* an oyster and sirloin combination. Homemade desserts include cheesecakes, carrot cakes and parfaits.

—David Slater

A spicy spin-off

Hard Times Cafe, an American chili parlor based in Alexandria, VA, has turned its signature item into a retail package. It is marketing a "do-it-yourself chili kit," which includes an apron with the restaurant's logo as

well as two spice packages. One package is for the cafe's sweet and spicy *Cincinnati Chili*, and the other is for its incendiary Texas-style chili.

Each package has enough fixings to feed 15 to 20 people. Although the chili kits are currently being marketed only in the Washington, DC, area, the cafe has already received orders from as far away as Texas. The total kit—apron and spices—sells for $10.

Hard Times Cafe originally began selling spices to customers who wanted to make the chili at home, but the owners soon decided to try to make a dent in the nation's $38-million, chili-spice market. "We'd like to get a piece of that market," says co-owner Fred Parker. "But our primary interest is maintaining the tradition of the American chili parlor."

—Restaurants USA *interview*

Water for a price

Now Los Angelenos who give up alcoholic beverages can still go out to a tasting bar. But what they will be comparing will be waters—not wines, beers or scotches.

The bar, in the new Ixiz clothing store on Rodeo Drive in Beverly Hills, serves at least 51 different brands of bottled water from at least 18 different countries—at $1 to $2 a shot.

This water isn't plunked down in a mere tumbler, however; it is served lightly chilled with black plastic straws in elegant glasses. No ice comes with the order. "We want people to experience the subtleties in content and flavor, and ice suspends the flavor," explains Ixiz President Steve Mills.

According to the bar's bartender, water is as different as the ground it comes from, and the mix of minerals in the water is said to make all the difference in flavor. Most of the water is procured from ethnic grocery stores.

—The Wall Street Journal

Students test lunch menus

In the Fairfax County school system in Virginia, children get a vote in selecting their cafeteria fare. And their votes count because Fairfax cafeteria managers' salaries are now based on how many meals they sell.

In a recent tasting, two dozen seventh and eighth graders were asked to rate five proposed additions to next year's lunch menus at Thoreau Intermediate School in Vienna, VA. Two of the five items got rave reviews—gyros on pita and apple cobbler. One—fish nuggets—got a passing grade, and it will substitute for the current fish offering. Two items were booted out: silver-dollar-sized steak crisps—beef's answer to the chicken nugget—and a steak submarine sandwich with spaghetti sauce.

—The Washington Post

A forum for the arts

At the 72 Market Street restaurant in Venice, CA, customers are indulging in more than fine food and drink. They are spending intimate Saturday afternoons in conversation with a diverse group of artists, scientists and musicians.

The dialogues, known as the Market Street Series, are taking place from November to late July. Over wine and hors d'oeuvres, 100 customers rub elbows with the afternoon's featured guest. Some of the notable artists include blues musician John Hammond, author Raymond Carver and choreographer Melissa Fenley.

—Market Street Series

Getting the word to business travelers

Restaurants in large cities have long advertised on buses and subways and even on airplanes. Las Plumas, a Chicago restaurant specializing in Mexican-American mesquite-grilled dishes, has taken this idea one step further. The restaurant's owners have inserted advertisements on the back of thousands of the city's Yellow and Checker Cab receipts.

The owners realized that businesspeople from Chicago and out of town often need a place to go for business lunches and dinners. They also knew that these people often ride taxis and ask for receipts. So, the owners of Las Plumas decided to give hungry cab riders a tip.

Restaurants USA

TASTE THE BEST

The Monterey Wine Festival is the perfect opportunity for you, the restaurant operator, to greatly enhance your knowledge and appreciation of wine and your ability to market it. Because of its scope and design, the Festival can be a profitable experience for you, whether you're already an expert or just getting interested.

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A big difference between this event and other tastings is that each of the wineries participating in the Festival will have either the owner, president or winemaker present to meet you and answer your questions. A tremendous plus for the restaurant operator ready to do business.

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The unbeatable combination of good wine, good food, good friends, coupled with a true educational experience, and set in one of the world's most charming locations are what make the Monterey Wine Festival something you can't afford to miss.

Complete the registration form stapled in this issue of *Restaurants USA* and mail it today to insure your place at Vintage '87.

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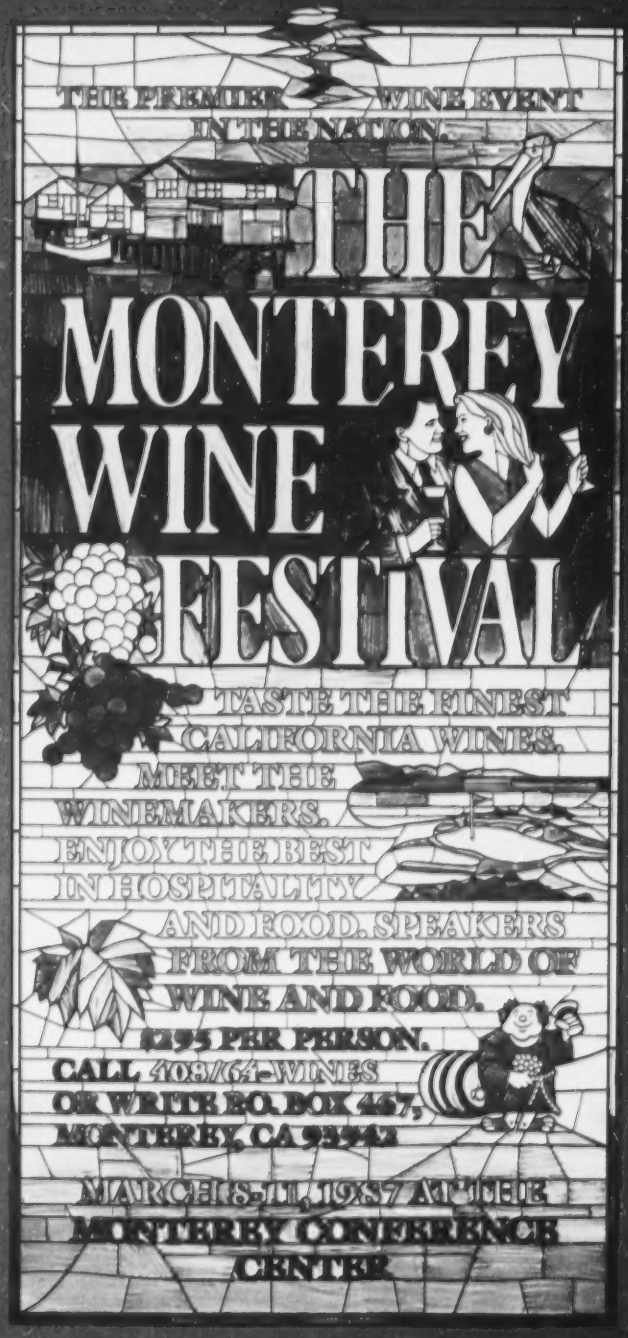
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